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# Latin America Report

No. 2358



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## LATIN AMERICAN PETROLEUM ASSOCIATIONS MEET IN QUITO

PA281350 Quito Cadena Ecuador Radio in Spanish 2300 GMT 27 Jul 81

[Text] The 16th meeting of the Latin American Petroleum Industry Mutual Aid Association [Asociacion de Asistencia Reciproca Petrolera Latino Americana--ARPEL] was opened today in this capital, with the two most important state petroleum enterprises participating. At the meeting called to outline ARPEL's general policy, the speakers were ARPEL Secretary General Fernando Mendoza of Venezuela; Jorge Pareja, Ecuadorean State Petroleum Corporation, CEPE, director; and Eduardo Ortega, natural resources and energy minister.

Fernando Mendoza, ARPEL secretary general, referred to the situation and outlook for Latin America with regard to the current energy crisis in the world and the opportunities of [word indistinct] energy of the region.

CEPE Director Jorge Pareja hoped that ARPEL will emerge stronger after this meeting so that it can fulfill its highest ideal, which is to defend our hydrocarbons resources, through a [word indistinct] and scientific exchange toward Latin America's integration. Pareja termed ARPEL the most useful communication instrument among associated enterprises and fundamental for better cooperation among enterprises with similar objectives.

CSO: 3010/1719

## OPPOSITION CITED TO U.S. DECISION ON NEUTRON BOMB

## Jamaican Paper Urges Condemnation

FL101656 Bridgetown CANA in English 1615 GMT 10 Aug 81

[Text] Kingston, Jamaica, 10 Aug (CANA)--The DAILY NEWS today urged the Jamaica Government to condemn President Reagan's decision to go ahead with production of the neutron bomb.

In an editorial, the newspaper suggested that the Jamaica administration had a part to play in pressuring the American president to change his decision on the bomb that kills with heavy waves of radiation while causing very little damage to buildings.

The paper said that the American people had the first responsibility to impress on the president that they would not be led by an administration "which engages in the peddling of death." But what was needed was mass pressure across the globe, the paper added.

Said the DAILY NEWS: "...We here in Jamaica, like peace-loving people all over the world, need to add to this pressure, for radiation knows no national boundaries, race, religion or creed.

"It is the responsibility of this government to make clear to the Reagan administration that the government and the people of Jamaica strongly disapprove of the decision and to urge Mr Reagan to reverse it.

"Nothing less than this will be of assistance to efforts to ensure world peace, without which all the talk of economic recovery will be nothing but hot air," the paper said.

## PRG Voices Strong Opposition

FL141650 Bridgetown CANA in English 1630 GMT 14 Aug 81

[Text] St Georges, Grenada, 14 Aug (CANA)--The Grenada Government has suggested U.S. President Ronald Reagan switch planned spending on the neutron bomb to Third World development.

"If channelled into assisting the world's poor countries to develop their economies and raise the quality (of life) of their people, the massive amount of money being spent on development of such weapons as the neutron bomb and the arms race would serve a better purpose," the Grenada administration said.

In the statement released by the Ministry of Information last night, Grenada's Peoples Revolutionary Government (PRG) said: "We are totally opposed to production of this bomb..."

The statement followed a decision by the Reagan administration to go ahead with production of a bomb which kills with massive doses of radiation while leaving buildings virtually untouched.

Grenada claimed that the U.S. had shown contempt for the people of the world by choosing the anniversary of the bombing of Hiroshima, Japan, to announce the decision to produce the neutron bomb. This, the statement said, "borders on sadism."

"When put in the context of the present U.S. administration's refusal to ratify the SALT Treaty with the Soviet Union or sit down and discuss practical methods of reducing the arms race," the PRG said, "it becomes clear that no one in the world will be safe once the United States has manufactured this weapon."

CSO: 3025/1026



## CARIBBEAN ECONOMY UNIMPROVED IN EARLY 1981

FL110029 Bridgetown CANA in English 2222 GMT 10 Aug 81

[Text] Bridgetown, Barbados, 10 Aug (CANA)--The first 3 months of this year brought little improvement in economic activity in the already beleaguered English-speaking Caribbean, according to the Barbados Central Bank.

In its 1981 first quarter economic review, the bank said that output of leading sectors contracted and inflation continued at a high level. The net foreign reserves position remained weak in most territories and this led Dominica, Jamaica, Saint Lucia and St Vincent to seek assistance from the International Monetary Fund (IMF).

The bank said there was a general decline in tourist arrivals in the winter season, due to recession in major markets and higher hotel rates in some islands.

The slump in visitors from North America more than outweighed the growth of arrivals from Europe and the increase in travel among the countries of the region. Tourist arrivals fell by 19 percent in Grenada, 9.5 percent in Montserrat, 5.5 percent in Antigua and 8 percent in Barbados. Tourist arrivals for January in Jamaica were 16.6 percent down on the corresponding month in 1980.

Regional sugar production also declined between January and March this year compared with 1980 first quarter.

The report said that in the case of Jamaica, production is not expected to recover from last year's record low output of 230,000 tons. Unusually heavy rains which snarled reaping and a late start to the Barbados crop are also expected to keep this year's production well below last year's 135,000 tons.

Guyana too expected a drop in sugar output--about 6 percent on the year's first crop, the Barbados Central Bank said.

Non-sugar agricultural exports from the eastern Caribbean islands fell as a result of extensive crop damage by Hurricane Allen the previous August. Saint Lucia in particular suffered a 16 percent fall in banana exports for the 12-month period which ended March 1981.

There was however, some improvement in the performance of the Caribbean's mining sector. Bauxite production in Jamaica went up by 66 percent to 1,141,600 tons and alumina output increased by 30 percent over January 1980 to 213,000 tons.

The bank report said that during the review period Jamaica was in the final round of negotiating 698 million dollars (U.S.) in balance of payments support from the IMF. During the quarter the IMF also approved for Dominica a drawing equivalent to 10.5 million special drawing rights (SDR's), 1.3 million SDR's for St Vincent and 2.7 million SDR's for Saint Lucia.

CSO: 3025/1026

## SAMORE SAYS NO FURTHER VATICAN BEAGLE PROPOSAL

PY141801 Buenos Aires HERALD in English 14 Aug 81 p 11

[Text] (NA)--The Vatican will not present another proposal to solve the Beagle Channel dispute between Argentina and Chile, Cardinal Antonio Samore said in an interview with the magazine ESQUIU.

Pope John Paul II's personal representative in the Vatican mediation of the dispute told the Catholic magazine in Rome that the negotiators are "nearer the end" of their task but gave no precise dates for completion of the process.

He said that the proposal submitted by the pope to both countries in December 1980 was based on "justice and equity," and that Argentines must trust the pope.

Samore also said that Pope John Paul II "wishes fervently to visit Latin America, I don't know when, but he will (visit it).

Referring to commentary contrary to the proposal published by some Argentine news media, Samore said: "I don't want to get into any sort of arguments, but I am not unaware of the fact that some comments have disturbed Argentine public opinion, which (opinion) must not allow itself to get carried away by any of them."

He added that the pope has detailed information on the negotiations carried out at the Vatican and that he "is anxious for an agreement to be reached."

Meanwhile, former Chilean Foreign Minister Gabriel Valdes Subercaseaux said here yesterday that the British crown's arbitration of the Beagle Channel dispute is "valid" and that what is needed is a "more integral solution to problems still pending."

Valdes, who is here to work on a programme for international studies to be carried out at several Latin American universities, said upon arriving at Ezeiza Airport that he was sure that the pope's mediation would allow an agreement to be reached, so that "obstacles to friendship and cooperation between both nations never arise."

According to Valdes, who is also a former director of the United Nations Development Programme (UNPD), the two countries could do much jointly to develop industry, economy, culture and communications.

CSO: 3020/140

GUYANA GOVERNMENT CALLS VENEZUELA'S ZAMBRANO 'LIAR'

PA312336 Paris AFP in Spanish 0155 GMT 27 Jul 81

[Report by Paul Persaud]

[Text] Georgetown, 26 Jul (AFP)--The government of Guyana accused Venezuelan Foreign Minister Jose Alberto Zambrano here today of being a "liar" and reiterated the support of CARICOM for its position in view of Venezuela's false claim over its sovereign territory.

An official spokesman made this statement in a press note that appeared in today's issue of the SUNDAY CHRONICLE, the government weekly, regarding Zambrano's statement to the Venezuelan press about the extent of the Caribbean support for the Guyanese position in light of Venezuela's claim.

The Guyanese Government position, published today, accused Zambrano and Hilarion Cardozo, Venezuelan ambassador to the OAS, of wanting to draw a deceitful smoke-screen over the Caribbean solidarity with Guyana.

The two diplomats said in Caracas a few days ago that CARICOM had not expressed its decided support for Guyana which is facing the Venezuelan claim for five-eighths of its territory.

"There is obviously confusion between the Venezuelan dream and the Caribbean reality on this matter," the SUNDAY CHRONICLE reported today.

"It seems that Foreign Minister Zambrano, by some supernatural power that we and the CARICOM members don't know about, has decided that his country [passage indistinct].

According to the press note, "It must be stressed again that the preservation of the territorial integrity of each of the Caribbean nations is of vital importance for the CARICOM philosophy."

"In addition, in the last meeting of foreign ministers held in the capital of [words indistinct] within the community, the unconditional support [words indistinct] members to the Guyanese position [words indistinct] the SUNDAY CHRONICLE said today.



"Foreign Minister Zambrano has used all the international [word indistinct] to show his professional arrogance and his contempt for a Third World country [words indistinct] and ours," it added.

The note said that "the reiterated Venezuelan positions regarding [word indistinct] financial credits for our country are a flagrant foreign intervention in the domestic affairs of Guyana."

The article in question notes that the Venezuelans who are wise will be able to understand and will deplore Zambrano's rash statement concerning the unjust Venezuelan position on Guyana's territory of Essequibo.

The note in question notes that Venezuela is trying to confuse the international public regarding its expansionist ambition at Guyana's expense.

CSO: 3025/1025

## GUYANA-VENEZUELA DISPUTE AIRED IN NAIROBI

FL151659 Bridgetown CANA in English 1651 GMT 15 Aug 81

[Text] Kingston, Jamaica, 15 Aug (CANA)—The Guyana/Venezuela territorial dispute has been aired at the UN Energy Conference in Nairobi with Guyana alleging that Venezuela was pursuing a policy of economic blackmail with its claim to the western 2/3's of Guyanese territory. which should not be allowed to succeed. The GLEANER, reporting from Nairobi said the issue was raised by Guyana's Mining and Energy Minister Hubert Jack, who told the conference that Venezuela's claim to all the land west of the Essequibo River could stultify his country's energy development program.

Venezuela revived an old dispute in the early 1960's to 5/8's of Guyana's 215,000 square kilometers, but the issue was shelved for 12 years by the protocol of Port-of-Spain which was signed by the two countries on 18 June 1970. Venezuela has said it will not renew the protocol when it expires next year. Guyana plans to construct a big hydropower project in the area under dispute.

Mr Jack was quoted as saying in Nairobi that the hydro project, the area as a whole, was a fundamental component in Guyana's energy program, and that Venezuela's attempt to thwart it was not only unjust "but represented a form of blackmail which must not be allowed to succeed." The GLEANER said Mr Jack also told reporters that Venezuela was pressuring governments and companies against becoming involved in the development of the region.

The Guyanese minister told the conference to consider the repercussions on world and regional stability as well as national integrity should Venezuela be allowed to succeed in its claim. He accused the Venezuelans of acting in bad faith by introducing a "new dimension" to the dispute even before the 12-year accord had expired. Mr Jack said Guyana interpreted Venezuela's latest moves as intended to force a poor country with a shattered economy to sit with a rich, powerful nation and negotiate away a significant portion of its land area and natural resources. He claimed that Guyana was not actively seeking military assistance to counter what was an implicit threat from Venezuela, but added that "we would seek any assistance we can get if we find ourselves with something we could not cope with."

CSO: 3025/1025

## GUYANA CITIZENS URGED TO SEE VENEZUELAN CLAIM AS ATTACK

FL101647 Bridgetown CANA in English 1620 GMT 10 Aug 81

[Text] Georgetown, Guyana, 10 Aug (CANA)--Guyana's information minister, Frank Campbell, has urged overseas-based Guyanese now home on a short visit, to view Venezuela's claim to five-eighths of Guyana's territory as an attack on the country's economy and history, as well as an attack on reality and truth.

Addressing a 3-day "homecoming" function, Mr Campbell explained that the exercise was intended to enable Guyanese overseas to come to terms with the reality of their nation and to appreciate the struggle that was started years ago.

The participants of the "homecoming" exercise approved a resolution, in which they declared that "it was not only patriotism but knowledge of the facts which inspired them to defend Guyana.

They called on Britain, as a signatory to the Geneva agreement, to ensure that the validity to the arbitral award which she has recognized, was duly protected.

In an address to the participants who toured the area being claimed by Venezuela, Guyana's Prime Minister Ptolemy Reid stressed that they should regard their visit as a pilgrimage to "this part of the land which must be ours for all time."

He pointed out that the Essequibo area was the cradle of the major revolutionary activities and the battleground on which Guyana's economic and social independence was founded.

CSO: 3025/1025

## GUYANESE WARNED TO TAKE VENEZUELAN CLAIM SERIOUSLY

FL061534 Bridgetown CANA in English 1432 GMT 6 Aug 81

[Text] Georgetown, Guyana, 6 Aug (CANA)--Guyanese have been warned that Venezuela is serious about its claim to 5/8's of this country and have been urged to show a commitment to defend the cooperative republic. The warning came from Home Affairs Minister Stanley Moore as he opened a 4-day seminar for management and non-management personnel being held in Georgetown.

According to the government-owned CHRONICLE newspaper, the minister chided the opposition People's Progressive Party (PPP) and the Working Peoples Alliance (WPA) for suggesting to Guyanese at public meetings and through the media that the Guyana Government was overplaying the issue in an attempt to overshadow the impact of the country's economic situation on the population.

Mr Moore pointed out that from information he had, the Venezuelan claim to 5/8's of Guyana, though ridiculous, is a real and serious one. "Opposition is quite wrong if they are trying to suggest that there is no real threat to the country's territorial integrity," the minister said.

Mr Moore noted that there was no question that Guyana would win its case against Venezuela in any international forum, but added that in a more practical way, Guyanese could be expected to defend their country if it were to be invaded by Venezuela.

CSO: 3025/1025



## COLOMBIA'S LEMOS COMMENTS ON GUYANA-VENEZUELA DISPUTE

FL141631 Bridgetown CANA in English 1614 GMT 14 Aug 81

[Text] Roseau, Dominica, 14 Aug (CANA)--Colombia has called for a peaceful solution to the Guyana-Venezuela territorial dispute. "...we hope that the difference between Venezuela and Guyana could be settled by a peaceful way," Colombian Foreign Minister Dr Carlos Lemos Simmonds told reporters.

Venezuela has a claim to 5/8's of Guyana, territory west of the Essequibo River. Guyana has rejected the claim.

"We consider that through the mechanism of international law problems are more easily worked out, rather than other ways that we find undesirable," the Colombian minister said yesterday. He told a press conference: "Colombia has always maintained a tradition of being a country very respectful of international law. Colombia has maintained a position that disputes between countries should not be worked out by force, but rather by the ways of the law."

The minister was part of a Colombian team that was leaving here today after talks with the Dominica Government and after signing a technological and scientific agreement. The Colombians visit St Lucia later today, Barbados tomorrow, Guyana on the 17th and Curacao on the 20th.

The foreign minister also expressed support for Belize's move to independence from Britain later this year. He said Colombia was planning to establish diplomatic relations with a postindependent Belize.

The Colombian minister also urged Caribbean governments to ensure that the region remain a zone of peace, and not become a "new theater" for the cold war between the superpowers. He said: "We have no doubt that the Caribbean could easily become a new theater for the cold war. I believe it is a common risk for all our countries and we must try and avoid this." He added: "In the Caribbean Islands there is a case of intervention by other countries...and Colombia has been a victim of this kind of intervention." The minister noted that Colombia had been fortunate to "neutralize this intervention," warning "we see it as a dangerous precedent and there is a need for countries to develop some sort of mechanism to stop this type of intervention."

CSO: 3025/1025

## DOMINICA, COLOMBIA SIGN ASSISTANCE AGREEMENT

FL141641 Bridgetown CANA in English 1631 GMT 14 Aug 81

[Text] Roseau, Dominica, 14 Aug (CANA)--Colombia and Dominica have signed an agreement under which this Caribbean island will receive technical and scientific assistance. The signing came during the 2-day visit of a Colombian delegation headed by Foreign Minister Dr Carlos Lemos Simmonds. Prime Minister Mary Eugenia Charles signed on behalf of the government of Dominica, while Dr Simmonds signed for Colombia.

Dr Simmonds told a news conference yesterday that the agreement will result in "doors being open for cooperation between the two countries." He told newsmen that the agreement covers the training of personnel in agricultural technology, the exchange of information in industry as well as providing scholarships to Dominicans to be pursued in Colombia.

The Colombian delegation held talks with government ministers, and Dr Simmonds said that they focused on cooperation, including ways of helping the island diversify its agriculture-based economy. The two sides discussed possible cooperation in Colombia's coffee industry, hydraulic development, vocational skills, tourism as well as rural development.

Yesterday the foreign minister presented Prime Minister Charles with the "Great Cross of Boyaca"--Colombia's highest award. The award commemorates the battle of Boyaca in 1817 in which Colombia decisively defeated the Spaniards to gain independence.

Dr Simmonds said that Colombian President Julio Cesar Turbay Ayala had offered a personal invitation to Prime Minister Charles to visit Colombia at a time convenient to her, stating "it will be a great honor to have Miss Charles visit Colombia."

The Colombian delegation leaves here today for St Lucia.

CSO: 3025/1025

## BRIEFS

ILLEGAL GUYANESE IN SURINAME--Paramaribo, Suriname, 3 Jul (CANA)--The Suriname Government has started a crack down on Guyanese who have been living here illegally. Government officials said more than 200 Guyanese have been deported since the roundup started on 12 July. Head of the Immigration Department, Rudy Maynard, said that about 80 percent of the 40,000 Guyanese living here were illegal immigrants. "In addition, there are many criminal elements among the Guyanese, who are here illegally and they create problems for others," he said. The deportations started shortly after Guyana rejected Suriname's call for an on-paper confirmation that Georgetown had no objection to Suriname's planned hydroelectric project which would use the Corentyne border river both countries claim. The confirmation was requested by the World Bank, which is considering an aid application from Suriname. Suriname Government officials said the crackdown had nothing to do with Guyana's stand on the project. [Text] [FL312008 Bridgetown CANA in English 1850 GMT 31 Jul 81]

BOUTERSE DEFENDS GRENADA'S RECORD--Paramaribo, Suriname, 31 Jul (CANA)--Suriname military strongman, Lt Col Daysi Bouterse has dismissed charges of human rights' violations against Grenada as pro-imperialist propaganda designed to weaken the island's social and economic progress. Army Chief Bouterse was in Grenada last week to attend a meeting of the Latin American group of socialist international. The army which rules Suriname is taking the republic on a socialist path. Lieutenant Colonel Bouterse told a press conference today that he was impressed with the political structure of Grenada's ruling New Jewel Movement (NJM). He said the Suriname delegation was afforded the opportunity at the conference of taking a closer look at the problems of the Caribbean and Latin America. [Text] [FL312111 Bridgetown CANA in English 2059 GMT 31 Jul 81]

GUYANA, COLOMBIA TO HOLD TALKS--Georgetown, Guyana, 2 Aug (CANA)--Guyana and Colombia, which have territorial disputes with Venezuela, are to hold top level talks in Georgetown later this month. Colombia's Foreign Affairs Minister Dr Carlos Lemos Simmonds is due here on 18 August, according to the government-owned CHRONICLE newspaper. The paper said the minister was coming to Guyana less than 3 months after Guyana's Foreign Minister Rashleigh Jackson visited Colombia. During that visit the two foreign ministers signed a joint declaration dealing with bilateral and international issues. This declaration, the CHRONICLE said, reaffirmed Guyana's disputes. Dr Simmonds is expected to spend 3 days in Guyana during which he will have talks with his Guyanese counterpart on the latest development in respect of Venezuela's claim to 5/8's of Guyana. [Text] [FL031838 Bridgetown CANA in English 1410 GMT 2 Aug 81]

## FORMER PRESIDENT LUDER EMPHASIZES NEED FOR ELECTIONS

PY131437 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2028 GMT 8 Aug 81

[Text] Bahia Blanca, 8 Aug (NA)--Italo Luder, former provisional president of the nation, stated here that in the country "conditions are suitable for calling elections" and maintained that after 5 years of the current military process government "there are no reasons to continue delaying elections."

He also said that the multiparty organization emerged "as a heroic alternative in view of an evident national collapse" and pointed out the need for "an emergency plan to save the country."

The Justicialist politicians spoke in this city last night at the Retail Clerk's Association and termed the results of the national reorganization process as "disastrous."

He said that "politically speaking the government is isolated and economically speaking the country has never endured such a crisis, therefore, the process by no means is justified."

He added that after 5 years and 4 months "we cannot continue stating that we have objectives and no deadlines," and asserted that the government "must make it a priority issue and seriously engage in drawing up a complete political schedule."

In another part of his speech Luder pointed out that "we cannot postpone a national agreement [encuentro nacional] such as the one that may result from the multiparty organization, which for the time being calls itself such but intends to become a multisectoral organization."

He asserted that "conditions in the country are suitable for calling general elections because the country is always ready for elections and there is all the more reason for them after these past 5 years."

He also demanded the lifting of the political recession stating that "it was said that our leadership was obsolete and that it should be renewed but instead of supporting that renewal quite the opposite was done."

Luder was asked his opinion on the political activities of Adm Eduardo Massera, former commander in chief of the navy. Luder replied that "he is fully entitled to do so since this is not the first time a retired officer has tried to engage in political activities."

CSO: 3010/1712

## UCR LEADER TROCCOLI WARNS ABOUT SOCIAL CRISIS

PY150359 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2054 GMT 9 Aug 81

[Excerpt] Mar Del Plata, 9 Aug (NA)--Antonio Troccoli, leader of the Radical Civic Union (UCR), compared the government with "a groggy boxer" who "is not punching in the right direction." He also warned that the current situation can lead to a "social crisis" because "there is a lot of fertile ground for this to happen."

Troccoli also said that the measures announced last Friday to refinance business debts were "late and insufficient." He said that this measure should have been implemented "24 hours after" the current administration took over the government.

The UCR leader said in this city that under current circumstances the multiparty meeting has the "important objective" of searching "for national unity and from this point" achieve the necessary mechanisms and distribute efforts to find solutions.

However, he explained that this organization "is not searching for a way to save the government, but for a way to save the country." He rejected the criticisms comparing it with political groups of the past.

He emphasized that this "is an unusual attitude and without precedent in Argentine history."

He said that the multiparty meeting "goes beyond a tactical movement" and that "this is a call for responsibility to all Argentines to recover their faith."

CSO: 3010/1712



## PERONISTS ON SINAI FORCE, HARGUINDEGUY COMMENT

PY162216 Buenos Aires HERALD in English 16 Aug 81 p 11

[Text] (NA) Cordoba--Former senator and provisional President Italo Luder yesterday rejected a statement by former Interior Minister Albano Harguindeguy to the effect that an electoral win by either the Justicialist or Radical Party would be a return to the past. In a separate development, a group of Justicialist leaders expressed their opposition to an eventual order for Argentine troops to join the peacekeeping forces in the Sinai.

Referring to Harguindeguy's recent comments that a victory of either the Justicialists or the Radicals would mean a setback for the country, Luder pointed out that "a country never goes back" saying he trusted that "the people will decide what their destiny will be."

"No one may from higher up impose a winner at the elections," he added, "it will be the people who will choose its own representatives."

"A return to the constitution demands elections in the near future," the former senator said, pointing out that a necessary prerequisite was nonetheless "the lifting of the (current) political ban."

The Justicialist Party's contribution towards helping the country overcome its current crisis "will be very important," he said, since, "as a majority force it is obviously interested in the reactivation of production and in that the wage earner, severely punished during these last 5 years may return to a decent standard of living."

If Argentina decided to send troops to the world peacekeeping force in the Sinai, "it would be leaving aside its traditional position of neutrality," a group of former ministers and governors from the Justicialist Party claimed in a statement sent yesterday to party leader Deolindo Bittel.

Signed by Benito Llambi, Felipe Sapag, Angel Robledo, Carlos Menem, Manuel Araoz Castex, Arnesto Corvalan Nanclares, Vicente Saadi and Alejandro Diaz Bialeto, among others, the statement said that "we are foreign to Camp David treaties" pointing to the alleged fact that the Egyptian Government's request to Argentina does not fit within the framework of either the United Nations or the Organization of American States.

CSO: 3010/1712

## HARGUINDEGUY ON POLITICAL RECONCILIATION

PY131159 Paris AFP in Spanish 2242 GMT 11 Aug 81

[Text] Buenos Aires, 11 Aug (AFP)--According to one of President Viola's advisers the installation of a civilian government led by the Peronists or the Radicals--the two main Argentine political forces--will immediately prompt the intervention of the armed forces to oust them.

This warning was issued today by the former interior minister, Gen (ret) Albano Harguindeguy, at the very moment when the politicians are engaged in reconciling positions under the umbrella of a multiparty commission which has stated its intentions of setting the country on the path toward democracy. The commission also has the approval of the government.

Harguindeguy, former interior minister and current adviser to President Roberto Viola spoke to politicians of the Conservative Party and pointed out that it is very difficult to express the official position toward national politics under the present circumstances.

He warned, however, that if within the current picture the large political forces (Peronism and Radicalism) take power, the cycle, which started in 1955 when a (Peronist) constitutional government was overthrown by a military movement, will repeat itself.

The presidential adviser advocated the creation of a party of the center and asked the persons present to make efforts to unite the Conservative, Social Democratic and Progressive Democratic parties which have been supporting the military government in power since 1976.

In this regard he emphasized the need to join political forces in order to take over after the military because the armed forces cannot handle the government alone.

He said that in order to do this we must look for support among those who think like we do and especially among the youth. He stressed that there are approximately 6 million young people who have never voted but who are anxious to participate.

CSO: 3010/1712

## DAILY CRITICIZES HANDLING OF ESQUIVEL AFFAIR

PY130126 Buenos Aires LA NACION in Spanish 8 Aug 81 p 8

[Editorial: "Thwarting the Landing of a Plane"]

[Text] The decision of the Paraguayan authorities to thwart the landing of an Argentine passenger aircraft bound for their capital has been received with surprise. This decision has violated the commitments undertaken through the appropriate treaties and accords related to aeronautics. The craft had to return to Buenos Aires from where it had departed.

The flight was planned and on schedule. The reasons for denying it the right to land were that the passenger list included Argentine citizen Perez Esquivel, who last year won the Nobel Peace Prize. Irrespective of the reasons which the Paraguayan Government may have had to view this passenger as persona non grata or dangerous for the nation's security and tranquillity, it is quite obvious that the measure was extreme and therefore liable to severe criticism.

There is no discussing the right which the government of the fraternal nation has to exclude the above-mentioned citizen from its territory, but under no circumstances should this prohibition have been extended to the rest of the passengers and to the craft, thus hampering the use of a duly authorized air route.

The protest conveyed to the Paraguayan diplomatic representative when he was summoned to the Argentine Foreign Ministry, was perfectly valid. It is unfortunate that a unilateral decision has forced our Foreign Ministry to remind him of certain guidelines related to the obligations stemming from the rules and regulations which have been accepted and put into effect by two states who maintain excellent and very friendly relations at all levels.

It is to be hoped that events of this nature will not take place in the future. Thus we shall avoid incidents like this one which could have been easily avoided, from casting a cloud on the bonds which we have with Paraguay. By simply forbidding the unwanted or unwelcome passenger from leaving the plane in Asuncion the problem would have not arisen and the rest of the passengers would not have been harmed.

CSO: 3010/1712

## INTERNATIONAL CONSORTIUM GRANTS \$500-MILLION LOAN

PY151556 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0119 GMT 15 Aug 81

[Excerpts] Buenos Aires, 14 Aug (NA)--The Finance Ministry has reported that the Argentine Government has accepted an offer made by a consortium of nine foreign banks for a \$500-million loan. This loan will be used to finance the needs of the treasury and to pay short-term debts.

The loan will have a 7-year term and 3-year grace period. The interest rate for the first 2 years will be 1.25 percent over the Libor (London Interbank) rate or 1.125 percent over the U.S. prime rate.

The bank consortium that signed the agreement is made up of two U.S. companies, two Arab companies, three Japanese banks, one Canadian bank and a British company.

The group of banks consists of the Arab Banking Corporation; Bank of America National Trust and Saving Association; Canadian Imperial Bank of Commerce Ltd; Dai-Ichi Kangyo Bank; Gulf International Bank; the Industrial Bank of Japan; Kuwait Foreign Trading Contracting; Lloyds Bank International Limited and the long-term Credit Bank of Japan Limited.

A high-ranking Economy Ministry source noted that the agreement achieved with the consortium is advantageous since "it reopens the long-term market." This will enable us "to improve our foreign debt situation" and it expands "those markets with which Argentina can operate."

Economy Ministry sources noted that the overall foreign debt totals \$30 billion and that by the end of the year Argentina must pay about \$400 billion.

CSO: 3010/1712

## COMMENTATOR ON RELATIONS WITH U.S.

PY141853 Buenos Aires LA PRENSA in Spanish 4 Aug 81 pp 1, 6

[Article by J. Iglesias Rouco: "Washington and the Crystal Apple: The Malvinas, the Beagle and the USSR"]

[Text] The recent improvement of the relations between the Buenos Aires military regime and the United States stems simply from the existence of a more fluid dialogue, but Argentina's international position is still not clarified and this for the time being is blocking a solid understanding. According to our sources, this is presumably the main conclusion that has been reached by the State Department after the visits over the past few months of various U.S. envoys and which concluded yesterday with the talks held here by the U.S. envoys and which concluded yesterday with the talks held here by the U.S. ambassador to the UN, Jeane Kirkpatrick.

From what we know, in the stage of the talks that referred to a possible Argentine participation in the creation of a multinational force for the Sinai, the following "consensus" was reached: 1. As was stated yesterday by Mr Camilion, in the triumphant tone he always uses, the project is not a U.S. testing of Buenos Aires' attitude toward Washington. But yes Washington does consider it to be one of the channels, not the only one nor the most important, through which Buenos Aires will express its position within the context of the large blocs, as we indicated on Sunday. 2. The United States has not offered, nor is it offering any type of special political, military or economic "compensation" for an eventual positive decision on the topic. 3. Washington desires Argentina's participation; but its policy toward Argentina will be the result of the "overall" consideration of various factors that are contained within the relations between the two countries. Human rights, the Argentine nuclear program and Buenos Aires' economic links with Moscow have, among those factors, more weight than the Sinai.

According to our sources, the information that is being shuffled by and the evaluation that at this time is being carried out by the State Department regarding the Malvinas and the beagle appear to be connected with the ever increasing Soviet penetration of Argentina and to the fact that Mr Camilion and his [political] party are the most vocal group, of all those that are on the local scene, that favor the Third World policy and Argentine rapprochement with the East. Regarding the Malvinas, successive democratic and republican administrations have supported, and continue to support, the principle of decolonization and in general a position that is much closer to the Argentine thesis than to the British one. Washington



also believes that the islands entail an important base for the West in the south Atlantic. Thus, as Soviet penetration increases in Argentina, Washington's effective support for Buenos Aires regarding this topic decreases, which is logical. The foreign office [given in English] is exploiting this situation in its favor among the Western foreign ministries. In sum: The prospect that the return of the Malvinas can become another strategic profit for the Soviet Union brings to a halt any type of deal or pressure that the United States and the European powers might bring to bear on Great Britain regarding a solution to the problem that would be in agreement with Argentine desires.

Thus, interesting initiatives, that are even worthy of applause, such as the one that was announced some days ago by Mr Camilion regarding the Malvinas negotiations are apparently earmarked for oblivion. In diplomatic circles there is the belief that while the military regime does not clarify the limits of its commitments with the Soviet Union, the foreign office [given in English] will always receive, even though under the table, the support of its Western allies for extending the talks and for its presence in the islands on any pretext, no matter whether one or the other proclaims the contrary in the UN. This is precisely what is happening in Spain with the Gibraltar case: its mere entrance into NATO, or at least a substantial change in the appeasement policy which has been carried out for a long time with the Soviet Union first by Franco's regime and now, more vigorously, by its "democratic" successors would make the return of the Rock of Gibraltar feasible, as has been repeatedly pointed out to the Madrid Government by Western spokesmen, including those from Washington.

Regarding the beagle issue, until not long ago the U.S. attitude was to encourage an agreement which will prevent military tensions in the south Atlantic which, from its point of view, will always benefit the USSR offensive in that area with its eyes set on the Antarctic, on the navigation routes--of an increasing strategic importance--and on the important food and hydrocarbon reserves in the region. We have been assured that it was in that sense and only in that sense that the State Department looked favorably upon the church mediation, no matter what the results may be. But now Santiago, with the support of the church, has allegedly managed to convince Washington that one of the chapters of the papal "proposal" to which Buenos Aires objects more strongly--the right of navigation and economic participation granted to Chile in the "sea of peace," a right which it should be pointed out, would not require a previous "agreement" with Buenos Aires--is precisely the only way to prevent the Soviet Union's sole "participation" in the area. The Chilean diplomatic maneuver is underpinned, in that aspect, by the very Moscow which in addition to launching its propaganda apparatus in support of the Argentine points of view, has been suggesting its willingness to "cooperate" with Buenos Aires in the exploitation of the Atlantic resources. Since the USSR already has a fishing protocol with Argentina and dozens of its ships are sailing freely along the Argentine coasts, on the very border of the 200 miles limit, U.S. experts have considered the danger of a "Soviet sea" probable. As a consequence Washington appears to be increasingly determined to directly or indirectly force Buenos Aires to accept the 12 December "proposal," with the consequent prejudices for our possibilities of control and negotiations with the great powers in the south. As if this were not enough Chilean diplomacy has alleged offered guarantees for Western "participation" in the "sea of peace" if the "proposal," with the rights it grants it, becomes an agreement. In sum: Despite the fairness of its claims

and the patriotism of those who oppose certain terms of the "proposal," Argentina, in this case, could find itself completely isolated and in the end forced to sign the agreement. We would thus be faced with the paradox that the position of those who are against agreements with the USSR, which in general are the same ones who reject Rome's "proposal," will be harmed.

Simultaneously the White House cautiously follows the arrangements made by Buenos Aires to reactivate its trade relations with Cuba. Washington is more concerned by the fact that numerous Argentine firms plan to export products of "intermediate technology" to Castro's island under the umbrella of Ford's sales than by the fact that the Ford factory in Argentina may lead these arrangements (Ford will ship trucks to Cuba and it is certain that the State Department has been informed about this and quite probably encouraged this decision). The White House recalls that Argentine exports to Cuba during the last Peronist government increased from \$12 million in 1972 to \$169 million in 1976. Argentine sales to Cuba, free from the capacity of influence which Washington has over the U.S. companies naturally threatens a policy, which at certain times turn blockade into the only adequate tool to restrain Soviet penetration in Central America.

This picture reveals up to what point the Third World ambiguity, in addition to the fact that such policy is conducted by persons who have never disguised their good intentions towards the East, can blockade praiseworthy initiatives and place the nation in an awkward international position. For some reasons Mrs Kirkpatrick yesterday made General Viola a present of a crystal apple. By making him a present of the symbol of temptation she was probably trying to point out the "digestive" risks the country runs if it yields to the Soviet temptation.

CSO: 3010/1712

## DAILY COMMENTS ON SAUDI MINISTER'S STATEMENT

PY141821 Buenos Aires HERALD in English 14 Aug 81 p 10

[Editorial: "Worlds Apart"]

[Text] The Foreign Ministry can sometimes be very vehement indeed when responding to statements criticizing the regime which are made by private citizens. When outrageous remarks are made by the official representatives of foreign powers of some weight in the world, however, it shows admirable restraint. To describe the suggestion by Saudi Arabia's foreign minister, Prince Sa'ud al-Faysal, that General Jose de San Martin, were he alive today, would in all probability be, if not a Montonero, at least a member of that repulsive movement's ally, the Palestine Liberation Organization, as "unhappy" and "hardly appropriate" was an understatement worthy of the subtlest diplomacy of a far politer age.

The Foreign Ministry was, however, quite right not to express the indignation it must surely have felt more forcefully. The distinguished visitor plainly knew very little about San Martin, who did not murder large numbers of innocent Spanish women and children wherever he could find them, Spain included, and was, like any good soldier, disgusted by anything that smacked of terrorism. [Sa'ud al-Faysal] was merely doing his best to present the PLO in a favourable light. But coming from a society whose values are not those of the West he evidently failed to appreciate that what may be respectable ends do not serve to justify despicable means; a misconception that is, unfortunately, by no means restricted to the Middle East, as this country's recent history makes painfully clear.

If the PLO eschewed violence and dedicated itself to putting forward the case for the Palestinians by peaceful means it would attract less attention but, among civilized people, more sympathy than it actually does. Even if it used violence but applied it only to genuine military targets it could be given a respectful hearing. Its depredations are so bloodthirsty and indiscriminate, however, that its declared cause has been as completely overshadowed by them as Germany's legitimate complaints in pre-war Europe were overshadowed by the behavior of Hitler's occupation forces. The PLO is a source of infection that harms not only the Israeli authorities or even the Israeli people, but much of the rest of the world as well. It has become one of the main components of an international terrorist alliance, to a certain extent controlled by the Soviet Union, whose principal aim is to undermine non-communist societies and either overcome them or goad them into lawlessness. The terrorists who caused such lasting damage

to Argentina were attached to this alliance and some reportedly received training in PLO camps. To compare Yassir Arafat with San Martin before men who regard themselves as his heirs and have just fought a bloody campaign against terrorists in league with the PLO was therefore somewhat undiplomatic.

The PLO is doing its best to open pseudo-embassies in Latin America. As terrorism follows the PLO wherever it goes the government is understandably reluctant to see it open one here. Requests that it do so, or requests that it afford the PLO anything that could be construed as recognition, will surely be turned down: after all, if the Argentine authorities were to accept that the PLO should enjoy sort of diplomatic status, what arguments could they use should other governments do the same for Argentine terrorist movements? The Saudi motive for supporting some of the PLO's aspirations--apart from a natural sympathy for fellow Arabs--is the desire to do away with the "Palestinian problems" before the Saudi dynasty itself becomes one of its direct or indirect victims. Argentina has its own problems, however, and these preclude any new approach to the PLO, whose presence here would not be worth all the oil in the Arabian peninsula.

CSO: 3010/1712

## DAILY SEES NEUTRON BOMB AS WAR THREAT

PY142147 Buenos Aires CLARIN in Spanish 12 Aug 81 p 16

[Editorial: "The Neutron Bomb"]

[Text] The decision made by NATO toward the end of 1979 to deploy in Western Europe a second generation of medium-range missiles and the decision just made by the United States to build the neutron bomb bring back the spectre of a new outbreak of war in the old continent reminding one of the tragedy of the ashes left by World War II a third of a century ago. Both, the Pershing-2 and cruise missiles and the neutron bomb were designed as power of persuasion or death in the strip of European land that separates the two superpowers. This possibility, which is becoming more obvious, is placing the experienced European powers in an increasingly uncomfortable position within the two large strategic alliances--NATO and the Warsaw Pact--and explains the reason for the agitation created by the peace movements emerging in them.

The U.S. decision to build the neutron bomb--with the expected Soviet answer if a negotiating process does not start immediately--is creating in the current international environment a real and terrifying threat to the hopes of peaceful coexistence, despite the fact that the arms race is nourished on their behalf. The neutron bomb particularly is a threat to peace not because it is more immoral than the conventional weapons--traditional chemical or atomic weapons--but because due to its "clean" nature and limited explosion it may allow any conventional war to turn into a nuclear exchange, thus the fear of an atomic holocaust would not act as a deterrent. In addition, the fact is that a weapon of this kind specifically designed to eliminate human beings and safeguard material things represents in itself an aberrant development of intelligence.

But the threat of this new lethal devise--acclaimed by the "experts" as a perfection of nuclear weapons--does not only come from its sinister temptation for war but from the escalation of the East-West tensions which is the reason for making it and storing it. No significant progress has been made in any of the negotiations between the great powers and their allies.

The basic idea is to have a negotiating capacity based on a position of force which in practice means to replace bargaining with rearmament. That is, one will sit at the negotiating table only after achieving a strategic balance. But this slogan only applies to negotiations, since when in Brussels experts indicate a balance



of force there are those in Warsaw who generally state the opposite. But this is quite variable, since until now the escalation of a nation's arsenal has not helped to stop the arms race.

Although the Reagan administration spokesmen who announced the White House decision did not refer to Europe in this new initiative, they explained that the production of the neutron bomb will be an effective means to counteract an eventual advance of Soviet armored vehicles. Although the "N bomb" will be temporarily stored on U.S. soil, it can be flown to the scene of a confrontation in Europe in a matter of hours.

In addition to the enemy soldiers and the civilians that will fall within its limited but deadly radius of action the N bomb will also cause other effects. And that is presumably the resistance that it will generate among those countries--like European countries--which have experienced in flesh and blood the devastation of war and the personal and collective tragedy that it brings. It is understandable, then, why the Department of State was opposed to the timing of this decision imposed by the Pentagon, particularly since the opposition caused by the installation of the 572 medium range missiles--which is scheduled for 1983--has not yet died out. Those who remember that this deployment was part of a "double decision" made by NATO that included a parallel negotiating channel will be filled with anxiety when they learn that there has not been an inch of progress regarding this other negotiating channel--that is peace talks.

CSO: 3010/1715

## BRIEFS

EXPLORATIONS IN ANTARCTICA--Buenos Aires, 31 Jul (TELAM)--The president of the military industries, Maj Gen Eduardo Crespi, today announced that joint plans exist between the Argentine Antarctic Institute and the Antarctic Command of the army for the geologic exploration of the Argentine Antarctic sector through a short-term program which will be carried out during the period 1981-82, and a medium-term program which will begin in 1982-83. [Excerpt] [PY140259 Buenos Aires TELAM in Spanish 1530 GMT 31 Jul 81]

CSO: 3010/1712

## POSSIBLE SNAG AREA IN AID PLAN IDENTIFIED

FLO61640 Bridgetown ADVOCATE NEWS in English 31 Jul 81 p 4

[Editorial: "Looking At W.I. Aid Program"]

[Excerpts] The newly appointed charge d'affaires at the U.S. Embassy in Bridgetown, Mr Ludlow Flower, has been talking about the proposed aid program for the Caribbean which will involve contributions from the United States, Mexico, Venezuela and Canada. One point he raised which is of the utmost importance in the approach to the plan is the emphasis being placed on the input of the proposed beneficiaries as to what they see as being required to ensure their economic growth.

It has taken some time for many of us to accept that real economic growth where a country is concerned cannot be based merely on handouts. If anything those handouts must be made to work in a positive manner for the benefit of the country by helping to create more jobs, increasing the country's level of productivity and so on.

The one feature of the plan that could run into snags is that to do with the involvement of the private sector. There is no common concept of the role of the private sector in the Caribbean. Nor does each country enjoy the same ease of raising money in private capital markets. The idea has been put forward that in order for the plan to work smoothly there will be a need to identify these impediments and eliminate them as quickly as possible. At the same time the countries do not all enjoy at the same level public sector services and experience that could be utilized to encourage the plan's smooth operation.

Be that as it may, partly behind this economic planning is the realization that if democracy is to flourish in the area there is a need for the countries embracing democracy to show a strong measure of economic success. There's more in the political mortar besides the economic pestle.

CSO: 3025/1026

## 'CLARIN' CORRESPONDENT VIEWS POLITICAL SITUATION

PY130317 Buenos Aires CLARIN in Spanish 12 Aug 81 p 22

[Article by Mario Stilman]

[Text] La Paz, 11 Aug (from our special correspondent)--The arrival in La Paz of Gen Lucio Anez, now considered leader of the Santa Cruz rebel movement in view of Gen Alberto Natusch Busch's withdrawal, means that the Bolivian political crisis has reached its highest point and its outcome depends on how negotiations are carried out.

The nature of the conflict is now strictly political, but its outcome will depend exclusively on a military criterion. There seem to be two uncompromising positions. On the one hand, the rebels believe that the El Alto agreement established a resolution to immediately call a "large junta" meeting of officers to designate a new president.

On the other hand, the government junta yesterday reiterated that the agreement did not establish any kind of meeting of commanders.

Therefore, there seems to be an unsurmountable barrier between the rebels and the junta. But, considering that the rebels are aware of this breach, it is obvious that they came to La Paz with negotiable conditions they did not want to comment about. At any rate, the trip from Santa Cruz reveals the decision to solve the crisis peacefully for now.

Also important is the fact that the Catholic Church has guaranteed the personal security of the rebels.

As soon as the staff of the rebel movement arrived they met in the private residence of General Anez to adopt a common position and at the same time develop contacts with chiefs of La Paz small units who in the last few days have expressed concern over the development of the recent events.

In other words, the junta of commanders will remain in the government, depending on how the forces support either group.

In the meantime, the power of the triumvirate seems to be losing force and its members headed by Gen Waldo Bernal may remain isolated in the government.

All the efforts they are making to strengthen their positions are noticeably running up against the strong resistance of the military chiefs stationed in La Paz and other areas whose troops are now more visible. The contacts made in the last few hours by these officers seem to hint that they are closer to the proposals of the rebels than those advocated by the junta in view of the fact that the junta is considered an extension of the positions advocated by the Luis Garcia Meza administration.

The arrival in La Paz of 10 of the rebel leaders is without any doubt a "time bomb" for the official sector.

The future of events depend a great deal on the reaction of the government. If the junta has been able to absorb the "impact" of the presence of the rebels, it means that it still maintains a margin for maneuver. But if the effect is the opposite, then it means that the junta only represents a transition organization until a formula to create a new form of government is found.

At the same time, Gen Humberto Cayoja, already secured in La Paz after strengthening his position through high-level military meetings, will have to strengthen links with the Santa Cruz movement. Just before the end of the rebels' meeting, Cayoja joined them. At the end of the meeting, sources close to the rebels indicated that "a decision was made on the need to continue all the way with the position to call for a high level military meeting to appoint a president."

According to these sources, one of the military attending the meeting said in his extensive report that the situation of the junta shows splits due to a statement made by army officers to the army commander, Gen Celso Torrelio, who was reportedly told about their disagreement with the position of General Bernal. The commander of the air force, as the senior officer in the junta, has become the trustee of the presidential power despite the fact the junta will make decisions as a collegial body.

According to the same sources, these circumstances may define positions in the next few hours. It all seems to indicate that important decisions are about to be made.

According to diplomatic sources, there is already a list of three candidates for the presidency. The list is reportedly made up of three generals: Humberto Cayoja, Lucio Anez and Hernan Ferrel Lobo. The latter is the director of the Armed Forces National Development Corporation (COFADENA) and considered by these sources as the officer who has the best chance of becoming army commander under Cayoja's leadership.

If this is so, Anez would be left without future power even though he were to become by command and decision the main chief of the allied movement.

Perhaps it is precisely Anez' resignation that is the negotiation card with the junta and the reason it is assumed that the rebels have put aside their personal ambitions.

This argument, which has a great weight in the armed forces, would be decisive for a negotiated solution.



## 'AFP' COMMENTS ON POLITICAL EVENTS

PY150028 Paris AFP in Spanish 2052 GMT 14 Aug 81

[Report by Andres Soliz Rada]

[Text] La Paz, 14 Aug (AFP)--It was reported here today that there has been a virtual political truce in Bolivia since the Santa Cruz rebels headed by Gen Lucio Anex Rivera decided to recognize the authority of the junta of commanders.

It was reported that in exchange for this recognition, the chiefs and officers relieved during the Luis Garcia Meza administration have obtained their reinstatement into the armed forces after submitting written individual requests.

Regarding Anez Rivero, it was reported that he will get a military appointment in accordance with his rank, therefore he may be designated inspector general of the armed forces or ambassador to a European country.

The chiefs and officers who supported the rebel generals during the Santa Cruz uprising have abstained from making new statements because they believe there is no need to feed the fire. They gave the impression that they were satisfied with their reinstatement.

The rebels believe that a victory was achieved by getting the resignation of Garcia Meza--whose trip abroad was announced by Gen Waldo Bernal in the name of the junta of commanders--and by having forced due to their pressure, the announcement that the paramilitary groups will be dismantled.

Bernal Pereir pointed out that there are no military rebel groups in the country and that the government will now concentrate its efforts on confronting the serious economic situation the country is experiencing.

Apparently the junta of commanders hope to confront the problem of lack of U.S. recognition and the economic crisis with the support of leaders of the Nationalist Revolutionary Movement (MNR) headed by former President Victor Paz Estensoro (1952-56 and 1960-64).

Observers indicated that two high ranking members of that party, Linares Arraya and Juan Carlos Duran Saucedo, hold the positions of planning minister and presidential secretary general respectively.

Well-known supporters of the so-called chief of the historic 1952 revolution have appeared in the planning and finance ministries and in the advisory offices of Government.

To complete this panorama, it has been reported that Paz Estenssoro will return to the country next week and that he may immediately become an important advisor to the junta of commanders.

Observers also admit the existence of some political dissention due to the release of 28 political prisoners, including Father Leonidas Sanchez who was presented to the press yesterday and who is also a high-ranking MNR leader of Paz Estenssoro.

However, this dissention has its limits, because the new labor minister, Col Guido Suarez, announced that there will be no union activity. The interior minister did not make any announcements about the return of people in exile.

Therefore, the approval of a political amnesty would be conditioned on a program of transition to democracy, but no deadline has yet been set.

There is an air of uneasiness in the country due to alleged jealousy in the army because of the fact that the most important junta member, Bernal Pereira, belongs to the air force and will have the responsibility of returning the country to democracy.

However, an effort was made to dissipate this possibility when it was officially announced that the three members of the junta have the same rank.

CSO: 3010/1714

## COLUMNIST SEES PRESIDENT FIGUEIREDO GAINING AUTONOMY

PY170349 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 Aug 81 p 5

[By A.T.C.]

[Excerpts] President Joao Figueiredo never responded to jabs from politicians or the press through 2 years because he kept in his cabinet a man who "bossed the country" and fathered the government's main actions.

The only response he gave was the attitude he assumed Thursday last week in accepting Gen Golbery do Couto e Silva's resignation request. That gesture, which prompted so much commentary by politicians and the press, finally showed that Figueiredo could act as a president because that was the first occasion since his inauguration in which he had to make a decision alone, without the advice of his former minister-chief of civilian cabinet.

That accident in the public career of President Figueiredo--the resignation of Couto e Silva--could mark the emergence of a new chief of the nation, a real president of the republic. After all he is the one sitting on the presidential chair. It should not come as a surprise that he finds himself more on his own in the future, thus having to make decisions alone.

The president certainly has strong commitments to his convictions. The question to be asked is whether those commitments will be considered to be uppermost and whether they will be given priority in government's actions henceforth.

To the extent that President Figueiredo comes to decisions with more autonomy and independence the office of the chief of staff will lose authority and that office could just become an administrative office under Joao Leitao de Abreu, efficient and less influential perhaps.

CSO: 3001/232

## NETO REGRETS GOLDBERY'S RESIGNATION

PY171605 Rio de Janeiro JORNAL DO BRASIL in Portuguese 8 Aug 81 p 7

[Text] Sao Paulo--"It is not true. On the contrary: Golbery do Couto e Silva has supported and has thoroughly studied some of the proposals," Planning Minister Delfim Neto stated yesterday in an interview with TV Globo, on being asked whether Golbery's withdrawal was related to disagreements on the issue of social welfare changes.

Neto also said he regrets the withdrawal of General Golbery, "but his resignation was a personal decision and deserves no comment." When asked again on the possibility of disagreements with the former civil household chief, Neto stated: By no means. On the contrary, General Golbery has been a good friend of mine and a great support to the implementation of the policy established by President Figueiredo.

Asked whether Golbery supported his ideas on the social security issue, the planning minister answered: "They are not my ideas." These ideas have emerged naturally within the government palace, jointly with Welfare and Society Security Minister Jair Soares. They were later submitted to the consideration of President Figueiredo. There had been no disagreement at all."

Regarding possible disagreements of the former civil household chief with Generals Walter Pires, Danilo Venturini and Octavio Medeiros, Neto stated: "I do not believe in anything like that. Really, his resignation responds to a personal decision which requires no comments."

Regarding the future of the government without Golbery, the planning minister stated that "It will continue walking along the same path, under the leadership of President Figueiredo, as it has been doing since March 1980." Regarding a change in the course of the opening process because of General Golbery's absence, the minister stated that he felt "that the absence of an important man will be felt," but that President Figueiredo has always made the decision on political problems and he has a firm desire to carry out the political process and to adapt it to the national situation."

CSO: 3001/232

## PAPER SEES MINISTERS IMPEDING PROGRAM AGAINST INFLATION

PY120040 Rio de Janeiro BRAZIL HERALD in English 11 Aug 81 p 2

[Summary of an undated JORNAL DO BRASIL editorial: "Inflationary Conspiracy"]

[Text] A big conspiracy is being schemed in Brazil for defeating the anti-inflationary program.

Inflation is the worst challenge facing the Figueiredo government. The government must demonstrate, prior to the elections in November 1982, that democracy is compatible with an anti-inflationary policy. This, however, is put into doubt by many, and the conspiracy is developing even inside the government.

The social security minister wants to take from employers and workers more money for covering the deficit of the system but is reluctant to revise the expenses which have provoked the financial crisis. In order to favor his ambitions for being elected governor of Rio Grande do Sul next year, he even advocates a program for distribution of subsidized food. This plan is advocated also by another minister, Camilo Pana, wanting to kindle the fire of inflation with distribution of food to the poor. On pretext of political investment in order to prevent a defeat of governmental candidates in 1982, material of easy inflationary combustion is being piled up in government offices.

Alone the present wage policy reduces the chances of any anti-inflationary action. The principal inspirator of this policy is Labor Minister Murillo Macedo whose aims also are strictly political.

Unemployment is growing, consumption levels are dropping. But electoral and political taboos largely responsible for it are not to be touched.

Minister Delfim Neto categorically rejected the proposition of granting this year a 13th monthly salary to government workers, just as he rejected also the idea of subsidized food for the poor. He wanted only to know who would pay for these favors. The method of providing the financial resources indeed should be left to the ministers who advance such inflationary projects in order to sustain their political ambitions.



The government makes economic concessions--as recently to coffee producers--which weaken the anti-inflationary program, in the belief that it will earn political dividends. This reasoning is wrong. The government does not have any right to soften the anti-inflationary policy in order to favor some of its ministers politically.

The conspiracy against the anti-inflationary policy is also a psychological one. Ministers and other people close to the governmental system claim that this policy wrecks their electoral chances next year. This arouses expectations that the anti-inflationary policy will be modified next year.

CSO: 3020/141

## DAILY VIEWS U.S. POLICY TOWARD AMERICAS

PY121755 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Aug 81 p 3

["Notes and Information" page: "Study and Know the Americas"]

[Text] It is gratifying to see that the concern about Latin America has not disappeared in the United States with the victory of Reagan and that of the U.S. traditionalists. If from the standpoint of the Republican Administration the interest in this region can still be to a large degree tied to the problems of U.S. and hemispheric security, from the standpoint of those who are not part of the administration the U.S. Government should pay more attention to the problems besetting the hemisphere. Quite likely, the subtle shift of the State Department's position on the Salvadoran strife--admitting, at least in theory, the need for a political solution--is already the result of, let's say, that insistence in persuading the White House to look at the problems affecting Latin American in a light different from that of U.S.-Soviet relationships.

Although recognizing the capital importance of the antagonism (conflicts sometimes) between the United States and the Soviet Union in postwar history, one cannot at the same time but recognize that, by playing all its cards of conception and strategic planning on the table of that antagonism, the United States deliberately neglected the development of Latin America as though it was less important for the defense and solidarity of the free world. We said deliberately because that U.S. policy was adhered to despite the open and harsh criticism of all Latin Americans who identify with the ethos of the West and who could not accept the disdain with which Washington treated the common (even if few) problems of the continent. In Brazil several leading personalities have always insisted that Latin America, especially our country, deserved a somewhat similar treatment to that administered to Europe for its recovery; and in the Spanish-speaking America, Jose Figueres [former Costa Rican president]--just to mention one name--put his finger on the festering U.S.-Latin American relations by telling the U.S. Senate, stunned by the aggression on a U.S. vice president during his visit to Venezuela and Peru in 1958, that "a foreign policy cannot be spat on," and that, consequently, the characteristics of the relations needed reviewing.

This almost 40 year-old Latin American position is not just a desire to receive without giving anything in return. On the contrary, that position rests on the conviction that a balanced development of the three Americas is the best guarantee for hemispheric peace and security. At this time that peace and security are

threatened by guerrilla warfare and the crisis of the oligarchic system, where there are no democratic forces to fill the vacuum created and to confront the threat of subversion. Unfortunately one is forced to recognize that the weight of the U.S. economic and strategic interests lies in the northern hemisphere and so the White House pays only perfunctory, and many times shortsighted, attention to Latin American problems. One may well say that only "emergencies" draw the attention of the U.S. Government and people, and so one may conclude that, if the subversive process never surfaced in "emergencies," the United States would hardly pay any attention to what happens below Mexico's borders.

There are, however, exceptions to that alienation.. One of them is the activity of David Rockefeller to make known the problems of Latin America. This has already resulted in the founding of the "Society of the Americas" by merging the Council of the Americas and the Inter-American Relations Center. It is a society which can play an important role in reformulating U.S. strategy toward the region, particularly since Rockefeller is convinced, as we are, that it is wrong for the United States to turn toward Europe and Asia exclusively. But, mark it well, this does not mean that our hopes that the United States will give the hemisphere the attention it deserves will be realized tomorrow. There are preconceptions to overcome and vitiated ways of thinking to correct. The first one to correct is imagining that something like an "Alliance for Progress," lumping all Latin American countries together, can serve the purpose; or that to choose favorite partners can be a solution. Another one is the tendency of looking after U.S. interests through the self-centered prism of a great power, thus disregarding the interests of the free world --and this seems to be the prevailing tendency in the Reagan administration. The case of the dollar being overvalued by the government despite the fact that such a policy wrecks havoc on the Western economy is quite illustrative. Concern over the problem has already been expressed to Reagan by the chiefs of government of the industrialized countries. Yet the marginal economies are the ones more badly affected by the overvaluation of the dollar and the rising U.S. interest rates. In carrying forward his project in the "Society of the Americas," Rockefeller will have to take into account these questions, considering that the awareness and study of common problems are the first step on the way to solve them.

CSO: 3001/232

## MORE NEGOTIATIONS NECESSARY FOR TRADE WITH EAST

PY170321 Rio de Janeiro JORNAL DO BRASIL in Portuguese 2 Aug 81 p 33

[Article by Milton F. da Rocha Filho]

[Excerpts] Sao Paulo--Three big business deals between Brazil and Eastern Europe are still pending without a solution: Soviet participation in the Ilha Grande project, with the transfer of equipment and financing valued at \$100 million and parallel credits of \$150 million; the purchase of cranes from East Germany; and the purchase of three cement plants from Czechoslovakia by the Joao Santos group.

The final participation agreement for financing and transferring equipment for the Ilha Grande hydroelectric project was not signed in the Soviet Union because the Soviets changed the terms that had been settled with Brazil. Those terms were that the Soviet Union would supply only 4 turbines, 4 generators, and 4 transformers for the project. In Moscow the Soviets demanded supplying 8 generators, 8 turbines and 8 transformers, a complete package, increasing their participation from 20 percent to 40 percent. This was not accepted by Brazil's capital goods entrepreneurs, and new negotiations are in progress.

The deals for East German cranes and Czechoslovak cement plants were initiated 2 years ago without the active participation of private enterprise in the dialogue between buyer and seller. Today, primarily because of Ambassador Rubens Barbosa of the Coleste (area of Itamaraty in charge of Eastern Europe), private enterprise is taking part in this dialogue. There was a change of behavior on the part of Brazilian authorities, who have opened themselves to the dialogue.

The proposal made by Czechoslovakia was for 40 percent participation on the part of Brazilian industry in equipping the cement plants. Brazilian manufacturers did not accept this and another proposal of 50-50 participation was offered. The Brazilians still did not accept. The proposal reached the level of 60 percent Brazilian 40 percent Czechoslovak participation. The deal has not been closed as yet.

Tons of iron ore, through the Vale do Rio Doce Company, would be exported to Czechoslovakia 2 months ago made contacts with authorities of that country. [Sentence as received] They also consider the absence of representatives of private industry at the beginning of negotiations as the main reason that the cement plant deal has not yet been concluded.

The relationship has much improved between the two sides. There is even an agreement between Brazilian industry and Skoda for the export of ordered capital goods to other countries, making it possible to incorporate into one package and to offer equipment to third countries, in international biddings.

A similar agreement was signed with Japan and consolidated last week with the presence in Brazil of Japanese Trade and Industry Minister Rokusuke Tanaka.

CSO: 3001/232



## BRIEFS

DEBATE ON ECONOMIC POLICY ADVOCATED--The Brazilian Government is under increasing pressure to make changes in their economic policy. This is natural with the current worsening of the economic crisis. Last month, the Federation of Industries and the Federation of Commerce, both in Sao Paulo, supported by labor unions, strongly criticized the economic policy. Even government ministers voiced objections to the anti-inflationary policy and its consequences. But Minister Delfim Netto reaffirmed emphatically his determination to maintain the present policy. As he said it, we are now in the middle of the bridge, and it would be unreasonable to change course. It is necessary to finish the passage in order to get to the other end of the bridge. Radical changes of the economic policy at the present moment really would be untimely, and dangerous. But this should not exclude a large debate, based on the thesis that neither the government nor its critics hold a monopoly of truth and good sense. There must exist alternatives, if not for the economic policy presently observed, but for some of its details, and these might perhaps soften some of the hardships. [Text] ["Time for Debate"; summary of editorial from Sao Paulo FOLHA DE SAO PAULO 3 Aug 81 p 2] [PY080202 Rio de Janeiro BRAZIL HERALD in English 7 Aug 81 p 2]

DENY REPORT ON ARGENTINE JEWS--Brasilia, 15 Aug (AFP)--In a statement released here today, Brazilian presidential press secretary Carlos Atila denied reports that the Brazilian Government will grant asylum to Argentine Jews. Atila regarded as completely baseless the report by an international news agency that Brazilian President Joao Figueiredo had promised to allow the entry of Argentine Jews into Brazil. Foreign Minister Ramiro Saraiva Guerreiro last night made a similar statement in Belo Horizonte, capital of Minas Gerais State, in the southeastern part of the country. Saraiva Guerreiro said that President Joao Figueiredo had not been consulted about allowing into Brazil the approximately 350,000 Argentine Jews who are being reportedly threatened by anti-Semitic groups. The foreign minister said that those reports were grossly exaggerated. [Text] [PY151824 Paris AFP in Spanish 1652 GMT 15 Aug 81]

CSO: 3010/1701

## FREI CRITICIZES PINOCHET'S 'CAMPAIGN OF FEAR'

PY151517 Paris AFP in Spanish 2239 GMT 13 Aug 81

[Excerpts] Santiago, 13 Aug (AFP)--Eduardo Frei, a leader of the Chilean Christian Democratic Party, today accused the Chilean Government of having unleashed an intensified campaign of fear against its opponents and of sowing hatred, division and injustice.

Frei, who was president of Chile from 1964 to 1970, also expressed his solidarity with four well-known opposition leaders who were expelled from the country last Tuesday by order of the government of Gen Augusto Pinochet.

Those expulsions, Frei said, are part of a campaign to build up an awesome atmosphere of fear.

The former president, who is considered a strong opponent of Pinochet, contended that the above repressive measures are sowing hatred, division and injustice and added that the Chileans must take every peaceful action to make the government understand that a solution will only be achieved through an orderly return to democracy.

Speaking at a press conference, he said: I do not believe in banning ideas but I believe in banning crimes. Ideas are banned in totalitarian countries which are so perfectly imitated around here.

Asked about the connection that might exist between the hardening of the government's position and the recent visit to Chile of U.S. envoy Jeane Kirkpatrick, Frei said: There is some coincidence.

He also expressed his belief that the Chilean Government has interpreted as signs of support the changes adopted by U.S. President Ronald Reagan in the human rights policy implemented by his predecessor, Jimmy Carter.

Frei added: We are worried seeing how disagreements are widened and how freedoms are curtailed. No one can fail to see that sooner or later the results of this policy will be extremely negative for the fatherland which concerns all Chileans, without exceptions.

CSO: 3010/1699

## INTERVENTION OF POLAND'S WALESA IN BEHALF OF LABOR LEADERS

## Union Leaders Regret Intervention

PY121804 Paris AFP in Spanish 1950 GMT 8 Aug 81

[Text] Santiago, Chile, 8 Aug (AFP)--The union leaders who support the Chilean Government today here regretted Polish leader Lech Walesa's intervention in favor of two union leaders in prison in Santiago since last month.

Last Thursday Walesa, president of the Polish Solidarity Union, sent a message of support to union leaders Manuel Bustos and Alamiro Guzman, main leaders of Chilean National Union Coordinating Board (CNS), who were arrested on charges of arrogating to themselves union representation.

In a message addressed to Walesa today the official labor representatives stated that we consider it necessary to point out that the CNS has no legal value and that it is composed of the Communist Party and other forces contrary to the labor union freedom and independence.

They added that as free union leaders we reiterate our support for you in your struggle against the totalitarian labor union system which existed in Poland and regret the deceit which has misguided you.

In his message 2 days ago the leader of the Polish workers termed the arrest of Bustos and Guzman as a violation of human and union rights.

The answer to Walesa's message was signed by Guillermo Medina, leader of the Miniers' Union, and other union leaders who support the government headed by Gen Augusto Pinochet.

## Labor Leaders Supported by Walesa

PY121558 Paris AFP in Spanish 2002 GMT 6 Aug 81

[Text] Santiago, Chile, 6 Aug (AFP)--It was learned here today that Lech Walesa, the Polish labor leader, has issued his full support to the two Chilean union leaders imprisoned a month ago and to the organizations they represent.

Tomorrow it will be 1 month since Manuel Bustos and Alamiro Guzman, top-ranking leaders of the National Trade Union Confederation [Coordinadora Nacional Sindical de Chile] (CNS), were arrested by the Chilean Government on charges of attributing to themselves false representation and of acting on behalf of the outlawed Communist Party.

In a statement sent to the CNS Walesa notes: The independent self-governing Solidarity Union movement expresses its wholehearted support for the Chilean National Trade Union Confederation in its effort to enforce union rights.

The statement adds: We categorically protest the arrest of Manuel Bustos and Alamiro Guzman since we believe this to be a violation of human and union rights.

The government of Gen Augusto Pinochet charged on Tuesday that the CNS is carrying out activities in compliance with a plan drafted a long time ago by international Marxism abroad.

The conflict between Chilean Government officials and the union leaders broke out last month when the union leaders--who at the time they claimed to represent 700,000 workers--issued a national petition in which they made economic, social, cultural, and political demands.

CSO: 3010/1699

## BRIEFS

NAVAL OFFICIALS--Rear Adm Francisco Chisolfo Araya yesterday became navy chief of Cabinet in the government junta and adviser to the first legislative commission. The chief of Cabinet deals with policy matters. Also, yesterday morning Navy Capt Rigoberto Cruz Johnson took over as deputy chief of the naval general staff. [Santiago EL MERCURIO in Spanish 16 Jun 81 p C5]

BORDER POLICE DIRECTOR--A Ministry of Justice decree has confirmed Army Col (ret) Sergio Rojas Brugues as national director of the Chilean border police. He had been acting director since January. [Santiago EL MERCURIO in Spanish 24 Jun 81 p C7]

WARNING TO OPPOSITION MEMBERS--Santiago, Chile, 6 Aug (AFP)--Chilean President Gen Augusto Pinochet today here lashed out against union leaders of the opposition and several publications which criticized his management by warning that this is the end. Clearly referring to the National Union Coordinating Board (CNS), whose main leaders have been in prison since last month, the chief of state stated that the true workers desire a free union and reject those disguised politicians. The Chilean authorities accused the CNS of acting as a facade for the proscribed Communist Party after it released a list of nationwide petitions which included economic, social, cultural and political demands. Pinochet did not mention Manuel Bustos and Alamiro Guzman, leaders of the CNS who have been under arrest since 7 July, but indirectly referred to them when he stated that there are individuals who are determined to destroy what has already been achieved in the labor field. In a speech made in the populated Pudahuel neighborhood, where he attended a ceremony in which 1,400 title deeds were distributed the president stated: We remind those bad Chileans that this is it. In comparing the importance of this official ceremony with the activities of the members of the opposition Pinochet stated that there are regrettable publications, or better said magazines, which ignore the good things and criticize everything bitterly. These last words were interpreted here as an answer to recent publications objecting the results of the liberal economic model implemented in Chile 8 years ago after late socialist President Salvador Allende was ousted. [Text] [PY121833 Paris AFP in Spanish 2211 GMT 6 Aug 81]

CSO: 3010/1699



## DEFENSE MINISTER WARNS OF DANGERS TO DEMOCRACY

PA140355 Paris AFP in Spanish 1847 GMT 13 Aug 81

[Text] Bogota, 13 Aug (AFP)--The Colombian Armed Forces warned today that only the support of the legislative branch and public opinion for liberal President Julio Cesar Turbay's regime can guarantee continuation of democracy in this country of 27 million inhabitants.

The defense minister, Gen Luis Carlos Camacho Leyva, said that instead of criticizing and attacking a government elected by the people, legislators should support it so that the coming elections to chose a president and elect deputies can develop in peace and order.

Speaking at the Senate, the defense minister warned that the deputies' skepticism toward the government endangers democratic stability in Colombia and strengthens the communist influence on the country's social classes.

The minister rejected the possibility that a general amnesty of guerrillas would solve the subversion confronting the country. Such a pardon would only serve to shelter common criminals, but not to guarantee democracy, he said.

In reply to liberal Senator Rodrigo Lara Bonilla, who accused the armed forces of attacking peasants in counterinsurgency operations, Camacho Leyva said that the Revolutionary Armed Forces of Colombia [FARC] had murdered 112 rural workers. In view of these crimes, the army had been compelled to hunt down the guerrillas in order to bring peace to the country. "These peasants were murdered for suspicion of being army informers or collaborators," the minister said.

He also said that there are sectors interested in altering law and order, using as an excuse social problems which could have been solved with the government's good will. He listed the standard of living improvement programs promoted by the government.

Camacho Leyva denied to the Senate that peasants arrested by the government have been abused or tortured to give information about the guerrillas.

The minister said that the criticism and accusations that the army and government had abused prisoners, was only intended for political profit, and in the long run these accusations have negative effects on democracy.

After Camacho Leyva concluded his speech, liberal Senator Luis Carlos Sarmiento added a warning about the danger to the legal system and emphasized that if violence is allowed to prosper in Colombia, "it can lead the country to fascism."

Galan Sarmiento, a young politician who has already expressed his intention of running for president in the near future, urged the subversive groups to return to institutional life in order to keep the nation from falling into nefarious violence.

This legislator also asked the government to grant an ample and general amnesty. He rejected the qualified amnesty offered in March and concluded as a complete failure in July. He said that "without this possibility there is only the path of war and death before us."

Galan noted that Colombia, because of its geographic position between the Atlantic and Pacific Oceans, is the target of the ambitions of international interests which would turn it into a theater of struggle promoted by the great powers.

Galan also supported the government's rejection of any interventionism and said that Colombia must solve its domestic problems by itself.

CSO: 3010/1697

## BRIEFS

LEADERS ASK FOR ARMY SUPPORT--Bogota, 12 Aug (EFE)--Former President Misael Pastrana Borrero and Senator Alvaro Gomez Hurtado, top leaders of the Colombian Conservative Party, yesterday asked their followers to give "decisive" support to the country's armed forces. In a declaration released after talks held in Bogota, the leaders, who are working to unify the conservative groups for the 1982 presidential elections, described "the actions of the military and police forces as dedicated, effective and often heroic." In referring to the reactivation of the guerrillas and terrorism in the country, Pastrana and Gomez said that an indifferent attitude by the people would disrupt the bases of coexistence and weaken democracy. They said that the reactivation of the guerrillas and terrorism is the result of attempts to promote political destabilization in Central America and the Caribbean. [Text] [PA121612 Madrid EFE in Spanish 1208 GMT 12 Aug 81]

GUERRILLA LEADER CONFESSES INVOLVEMENT--Bogota, 10 Aug (LATIN-REUTER)--Lawyer Jorge Franco, president of the Colombian Athletic Federation, was detained last week for alleged guerrilla connections and has confessed that he holds a command position in the extremist 19 April Movement (M-19), the army command announced today. Franco's detention led sportmen and sports leaders and commentators to send a protest letter to President Julio Cesar Turbay Ayala. His immediate release was demanded and the armed forces were accused of committing an outrage. The army command today disclosed that the lawyer confessed that "he frequently traveled to Panama to meet with guerrilla leaders." According to the military report, Franco received the equivalent of \$90,000 to bribe guards and officials in Bogota's La Picota jail, in an operation that led to the escape of Ivan Marino Ospina and Elmer Marin, both members of the M-19 general staff. Marin was killed by regular troops last April in Choco, in the west, during antiguerrilla operations in which 40 rebels died. [Text] [PA150240 Buenos Aires LATIN in Spanish 0126 GMT 11 Aug 81]

JUCO SUPPORT FOR FARC--Bogota, 12 Aug (AFP)--Leon Saenz Vargas, secretary of Colombia's Communist Youth (JUCO), who was detained by the authorities on Tuesday, has admitted that his party supports subversion. Saenz Vargas had in his possession 80,000 pesos and equipment for the guerrillas. "According to the JUCO leader, the Communist Revolutionary Armed Forces of Colombia (FARC) is one of the party's most important supporting branches." The army indicated that the charges confirm high-ranking commanders suspicions that the Communist Party of Colombia [PCC] is one of the major promoters of subversion in Colombia. "The charge, which has created a natural stir in Colombia's political circles, has led to the release of a number of explanatory communiques by communist leaders who assert that the army's charges are not true. The authorities have indicated that in view of Saenz' statement, they plan to raid the homes of several other PCC leaders." [Summary] [PA150300 Paris AFP in Spanish 1651 GMT 12 Aug 81]



## HAVANA REPORTS MALMIERCA'S ACTIVITIES IN MONGOLIA

## Visit Reported

FL171702 Havana Domestic Service in Spanish 1402 GMT 17 Aug 81

[Text] Isidoro Malmierca Peoli, member of the Communist Party of Cuba Central Committee and minister of foreign relations, has toured the Central Province of Mongolia as part of the agenda of his official visit. The Central Province, which comprises the area around Ulaanbaatar, is 80,000 square km in area and has an equal number of inhabitants. The province is the main supplier of milk and vegetables to the capital and also produces other important products.

During his tour, Malmierca visited the yurt, or typical portable home, of shepherd (Dor Shooren), who tends to 600 sheep and horses.

Malmierca's visit to Mongolia is the first by a Cuban foreign minister. Talks have been held in the course of the visit, which will conclude with the signing of a protocol.

Malmierca has visited the ruins of the monastery of (Mansheer), in the Central Province, and the main museum and king's palace in Ulaanbaatar, in (Mansheer). The visitors were received by (Shagaur Sooren), artist emeritus, who showed them his work and the rest center under construction there. Malmierca noted the variety of local animals preserved and mounted in the museum beginning to take shape in (Mansheer) and the skill with which the artist depicts the beauty of the local scenery by the use of native resources.

The Cuban foreign minister will visit the Mongolian People's Revolutionary Party Central Committee offices today. He will also visit two factories in Ulaanbaatar and host a reception in honor of [Foreign] Minister Dugersuren.

## Malmierca Decorated by Mongolian Party

FL172227 Havana Domestic Service in Spanish 2130 GMT 17 Aug 81

[Text] Ulaanbaatar--Isidoro Malmierca, member of the PCC Central Committee and Cuba's foreign minister, was decorated today by Demchigiyn Molomjants, member of the Mongolian People's Revolutionary Party [MPRP] Politburo and party secretary, during a ceremony held at the main offices of the MPRP Central Committee. Ambassador Ricardo (Banza Sigas), director of Cuba's Foreign Ministry Asia and Oceania Department, was decorated also.

CSO: 3010/1702



## HAVANA VIEWS REAGAN ECONOMIC RECOVERY PROGRAM

FL130116 Havana Domestic Television Service in Spanish 0000 GMT 13 Aug 81

[Text] The U.S. Senate and House of Representatives recently approved the tax reform package presented by the Reagan Administration consisting of a 3-year, 25 percent income tax reduction to benefit people with annual incomes over \$50,000 in particular. In other words: the country's middle and upper bourgeoisie. The aim of this measure is supposedly to increase company funds in such a way that they may be invested to create new sources of employment and thus help to reduce unemployment which in July had reached 8.2 million.

But there is something wrong with this economic recovery program the brunt of which the poor classes will obviously bear. What is the sense of increasing investments if installed productive capacity only operates at 75 or 80 percent of its actual capacity? This is one of the causes of the high level of unemployment.

Moreover, the reduction of the social security tax will cause more than 3 million persons to lose their jobs in the United States and this will bring the number of unemployed to more than 11 million. Can this be called an economic recovery program?

But there is more: The United States has budgeted more than \$160 billion for military expenditures in 1982. This is 23 percent of the total budget, which amounts to \$795 billion. Larger military expenditures are planned in coming years. Can this be called an economic recovery program?

What Reagan's economic program seeks is to further concentrate wealth in the hands of even fewer people, to form a super-elite of economic and political power at the expense of the rest of the population. In 1980, the big monopolies has a liquid capital of some \$80 billion. No investments were made because of a lack of profits. At the same time, mergers of big consortia to create super-corporations are becoming a daily event. This phenomenon is slated to increase as the tax reductions increase the monetary liquidity of the monopolies. Can this be called an economic recovery program? Obviously not.

The ills of U.S. society cannot be solved by widening the gap that already exists between the rich and the poor. On the contrary, the program will create more contradictions in a society weighed down by the evils engendered by capitalism itself and whose only solution is a radical, revolutionary change of its economic, political and social structure. This is bound to happen in the United States. Sooner or later, it will come to pass.

## CUBAN DELEGATE ADDRESSES SEMINAR IN MEXICO

FL131531 Mexico City NOTIMEX in Spanish 1415 GMT 13 Aug 81

[Text] Mexico City, 13 Aug (NOTIMEX)--Information or statistics can be used as a way of bringing pressure to bear and can be falsified at any given time, Jesus R. Ibanex Morales of Cuba's State Committee for statistics pointed out today. He is participating in the first Latin American and Caribbean seminar on national accounting systems being held here. Knowledge of statistics is not the only means to achieve political pressure. "I believe there are other sources of information more efficient to achieve influence," he stated.

He added that it is possible to manipulate statistics, but there is also another side to the coin, "without statistics there is no information and not giving information is providing the opportunity for a statistical role." [as received] I believe that without statistics there is no possibility of economic guidelines or planning. "It is difficult for a country without statistics to prepare guidelines for social and economic policies," the Cuban delegate indicated.

On another subject, he said his country's economy is advancing at a good pace and the growth rate is steady, even though there could be some fluctuations because of transactions abroad.

Likewise, he said the Cuban per capita income is high, not because of the wages or salary received for working but because the state provides all public services, such as education, health and culture. [A citizen] pays for renting a house or room only from 6 to 10 percent of his monthly income. This has made it possible for the standard of living to improve and for an adequate redistribution of income to all social classes. Since 1952 to date, the per capita income has increased fivefold.

CSO: 3010/1702

## MEXICAN AMBASSADOR PRAISES FIDEL CASTRO

FL111503 Havana Domestic Service in Spanish 1232 GMT 11 Aug 81

[Text] Mexican Ambassador to Cuba Gonzalo Martinez Corbala has termed unforgettable experience the Cozumel trip with Commander in Chief Fidel Castro. In an exclusive interview with a radio RELOJ correspondent, Martinez Corbala asserted that his round trip aboard the yacht "Pajaro Azul" afforded him the opportunity to converse with and learn a lot about Fidel, who is one of this century's most important personalities in Latin America and the world.

The diplomat said he was able to verify once more Fidel's extraordinary mental capacity, and the great affection he feels for the Mexican people and, especially, for President Jose Lopez Portillo. Martinez Corbala stressed that the longer one is near Fidel the more one is able to understand him, the more he projects as a strong world leader and, above all, the more one appreciates his extraordinary human sensibility.

Martinez Corbala noted that the trip with Fidel was a journey full of emotions and memories, and underlined that it had made it possible for him to appreciate the ability of the Cuban revolution's chief for living intensely. Elsewhere in the interview, Martinez Corbala reaffirmed that it had been very important for him to listen to Fidel and those accompanying him narrate incidents of the war and of the first years of the revolution.

The diplomat stated that the talks held by Presidents Fidel Castro and Jose Lopez Portillo were extraordinarily important in all aspects, which is why the world press assigned to them frontpage headlines. In closing, Martinez Corbala affirmed that relations between Mexico and Cuba are excellent and they are relations between true brothers.

CSO: 3010 1702

## REVOLUTIONARY ARMED FORCES HONOR KAMPUCHEAN ARMED FORCES DAY

Havana VERDE OLIVO in Spanish 28 Jun 81 p 54

[Article by Mario Rodriguez: "30th Anniversary of Kampuchean People's Armed Forces"]

[Text] The principal ceremony held by the Revolutionary Armed Forces [FAR] on the occasion of the 30th anniversary of the founding of the Kampuchean People's Armed Forces took place recently at the General Antonio Maceo Inter-service School of the FAR.

The ceremony, marked by the strongest kind of solidarity with the fraternal Kampuchean people and their People's Armed Forces, was presided over by Maj Gen Arnaldo Ochoa Sanchez, member of the Party Central Committee and deputy minister of the FAR for combat training and military training centers, and Nuk Hok, charge d'affaires of the Kampuchean People's Republican Embassy in our country.

In speaking in the name of the FAR, Col Diego Gonzalez Perez referred to the long struggle undertaken by the Khmer people, first against the French colonialists and then against the Yankee imperialists and the Beijing expansionists.

After referring to the principal achievements of the Kampuchean People's Republic in all spheres of political, economic, and social activity, after the overthrow of the genocidal clique headed by Pol Pot and Ieng Sary, the speaker stated that, "at present the Kampuchean people smile while they work. Nevertheless, their enemies have not resigned themselves to seeing the country develop itself and live happily." He added, "We Cubans know this trick very well and we know that it will be halted on the garbage heap of history."

Col Gonzalez Perez went on to underline the great importance which the victory achieved by this fraternal, Southeast Asian country has for all peoples who fight for their liberation and independence. He noted that in this victory the People's Armed Forces played a very decisive role. "For all of us," he concluded, "it remains a source of legitimate pride that they have reached this anniversary stronger and firmer than ever."

For his part, in concluding the ceremony, Nuk Hok expressed appreciation for the signs of affection and solidarity with the Kampuchean people which the Cuban people, under the leadership of its party and government, have always demonstrated. "Our political solidarity and alliance," he said, "have constituted a decisive element

in our victory." The speaker went on to bring out how the reconstruction work undertaken by his people has brought about profound and rapid changes, which have given rise to great joy and hope in the whole country.

"In this work," he noted, "the disinterested and comradely aid of all the progressive countries of the world, headed by the fraternal socialist countries and especially by Vietnam, the USSR, and Cuba, who have spared no effort in this sense, has been a major factor."

He added, "Our enemies have not stood with their arms crossed in the face of our victories. They are even trying to maintain the seat of the bloody Pol Pot regime in the United Nations. However, the situation is irreversible: the Kampuchean people will continue forward without tolerating the least kind of foreign interference."

Before concluding his speech comrade Nuk Hok once again expressed appreciation for the signs of militant solidarity which our people have always shown toward the heroic struggle of the fraternal country. He went on to say: "Relations between Kampuchea and Cuba are today more solid than ever. We are achieving our triumphs under the leadership of the Cuban Communist Party, led by the beloved president, Fidel Castro Ruz."

5170

CSO: 3010/1556



## COMBAT TRAINING DIRECTORATE COMMEMORATES 20TH ANNIVERSARY

Havana VERDE OLIVO in Spanish 28 Jun 81 p 56

[Text] The Combat Training Directorate [DPC] celebrated the 20th anniversary of its establishment with a simple but moving ceremony, which took place in the Central Hall of the Revolutionary Armed Forces [FAR]. The meeting was presided over by Maj Gen Senen Casas Regueiro, alternate member of the Politburo and first deputy to the minister of the FAR and chief of the General Staff, and attended also by general officers, leaders, and officers of the FAR, in addition to Soviet military specialists.

After the national anthem was played, Maj Gen Casas Regueiro presented certificates of 20 years of service in the Combat Training Directorate to Maj Gen Rigoberto Garcia, Brig Gen Lorenzo Garcia Frias, and Col Andres Torres. Also, a group of officers received the same kind of length of service certificate from members of the group presiding over the ceremony. These officers represented all those who have merited receipt of this sign of recognition.

For his part Col Juan B. Pujol, on behalf of the Directorate of Military Training Centers and Education Conducted Outside of Military Units, read a document in which he congratulated the members of the Combat Training Directorate for their 20 years of work and effort and he wished them success in the performance of new missions and tasks.

The congratulations from the deputy minister of the FAR for combat training and military training centers, Maj Gen Arnaldo Ochoa, were read by Lt Col Ibrahim Zamora. This document, referring to the members of the Combat Training Directorate, points out: "The success achieved by you during these past 20 years has been the fruit of the combined effort of leaders, officers, noncommissioned officers, sergeants, enlisted men, and civilian workers and of the systematic and influential work of the organizations of the party and of the Union of Young Communists [UJC]." It states further: "The progress made by the Combat Training Directorate represents a stimulus and at the same time a point of departure for future work. It makes us feel optimistic and it is a guarantee for the achievement of greater objectives."

Col Andres Torres made the closing remarks at the ceremony. He briefly recounted the work of the Combat Training Directorate and pointed out that the Second Party Congress "assigned multiple tasks to the FAR, among which may be noted continuing to raise our combat and mobilization readiness." For these purposes he stressed that the Combat Training Directorate plays an important role.

Regarding the tasks assigned to the directorate, he said: "We must continue to raise the levels of what we demand during visits of inspection, checks made on activities under way, and checks and assistance programs which are carried out in the various units; to pay special attention to the training of regular and reserve forces, as well as Territorial Militia [MTT], recently established, which play an important role in the defense of the socialist fatherland."

Finally, in the name of the minister of the FAR and of his deputy for combat training and military training centers, Col Andres Torres congratulated the personnel of the Combat Training Directorate and urged them "to continue working and make a reality of what the commander in chief stated at the Second Party Congress:

"Our country must be a bone which is very difficult for the teeth of Yankee imperialism to gnaw at, and a thorn which sticks in its throat and chokes it, if it attempts to commit aggression against us."

5170

CSO: 3010/1556

## BRIEFS

**FAR VANGUARD MEMBERS HONORED**--A ceremony honoring the 66 workers who are members of the national vanguard of the Revolutionary Armed Forces [FAR] was held at the officers club of the FAR Naval Academy in Havana. During the ceremony, which was chaired by Jose Antonio Roque, president of the organizing committee of FAR civilians unions, the honored guests received moral and material incentives. The majority of the FAR vanguard members come from the FAR construction and lodging sector, the industrial-military enterprise, the rearguard command, the FAR Ministry's units and offices and the Western Army. In his opening remarks at the ceremony, Jose Antonio Roque announced the drive to be conducted from 14 to 20 September to step up the pace of all tasks. During the phase of the drive honoring the anniversary of the FAR civilian workers union, the workers will increase the number of pledges in emulation, finance and education. During the ceremony, Miguel Angel Perez, member of the FAR national vanguard from Las Villas Army, announced the pledges made by the 66 outstanding workers for that phase of the drive. Among the goals to be attained is the fulfillment of all production and service plans at their respective work center. [Text] [FL121419 Havana Domestic Service in Spanish 1304 GMT 12 Aug 81]

**PEREZ HERRERO HONORS VANGUARDS**--PCC Politburo alternate member Antonio Perez Herrero has made the closing remarks at a ceremony held to present the insignias of national vanguard members to 310 students from intermediate level and higher education centers. The ceremony, which was held yesterday at the Gerardo Abreu Fontan workers social club in this capital, was also attended by PCC Politburo member Sergio del Valle and PCC Central Committee members Jose Ramon Fernandez, Fernando Vecino Alegret and Asela de los Santos. In his speech, Perez Herrero said the distinction is a high honor and, at the same time, a commitment to be increasingly better students and revolutionaries. [Text] [FL131117 Havana Domestic Service in Spanish 1000 GMT 13 Aug 81]

**TRANSPORTATION MEETING**--In Holguin, PCC Politburo member Jorge Risquet noted the favorable situation of eastern ports during the first 10 days of August and called on all factors of the transportation network in the central and western areas of the country to make greater efforts in view of the impending arrival of a large number of vessels loaded with goods. Risquet accompanied by PCC Politburo member and Transportation Minister Guillermo Garcia presided at the emulation plenary session of the port-transportation-domestic economy network in the eastern provinces. During the meeting it was learned that last July all the eastern region's port terminals over-fulfilled by 5 percent the loading and unloading plan with the exception of the port of Felton in Holguin, which reported no vessel arrival over a period of 20 days.

It was learned that during that period Granma was in first place in the red-hot emulation, while Holguin occupied second place followed by Guantanamo and Santiago de Cuba. During the meeting flags and other incentives were presented to Granma, Guantanamo and Holguin Provinces for the outstanding work of the first two in the railroad sector and the third one in the railway motor coach department of the port-transportation-domestic economy network. [Text] [FL141241 Havana Domestic Service in Spanish 1000 GMT 14 Aug 81]

IDENTIFICATION SECTION HONORED--Employees of the Identity Card and Population Registry Directorate received the award of Distinction for Service in the Ministry of the Interior [MININT] and a certificate marking the 10th anniversary of that organization at a ceremony held at the central offices of the MININT. The ceremony was presided over by Ramiro Valdes, member of the Party Politburo and minister of the interior. Also present were Osmany Cienfuegos, who is also a member of the Politburo; Brigadier Generals Pascual Martinez Gil and Luis Felipe Denis, both members of the party Central Committee; and other leaders and officials. During the ceremony an order of the Ministry of the Interior was read, by which was also awarded the certificate for the 10th anniversary of the Identity Card and Population Registry Directorate to the Directorate itself, to the National Association of Small Farmers [ANAP], and to the Committees for the Defense of the Revolution [CDR], for the work they have performed on the implementation and development of that document system. Ramiro Valdes distributed the certificates to Jose Ramirez Cruz, alternate member of the Politburo and president of ANAP; to Maria Teresa Malmierca, national vice-coordinator of the CDR; and to Col Luis Carlos Garcia Gutierrez. Subsequently, Osmany Cienfuegos and Brigadier Generals Pascual Martinez and Luis Felipe Denis presented to a large group of combatants the award, Distinction for Service in the Ministry of the Interior and the certificate marking the 10th anniversary of the Identity Card and Population Registry Directorate. [Text] [Havana VERDE OLIVO in Spanish 28 Jun 81 p 55] 5170

MILITARY COMMITTEES COURSE--Closing ceremonies for the ninth course for leaders and officers of the Military Committees took place last Friday [26 June] at the Old Havand Lyceum in the presence of Col Arnaldo Trutie Matilla, Brig Gen Jose A. Mendez Sierra, and leaders and officers of the General Staff. In the brief report on the course, given by Maj Fermin Marrero Luis, it was stated that the classes developed satisfactorily and with high quality, together with the seminars and periodic evaluations, which, taken together with the work of the students, achieved good indications of improvement since the average grade of the class was 98.28. Major Marrero pointed out further that political and party work constituted a powerful force, since it was at the center of all activity and, together with socialist emulation, was reflected in the results achieved. Maj Ramon Diaz Avlla, the leading student of the course, in the name of his comrades read a document expressing their appreciation to the officers and professors for the new knowledge acquired and in which they promised to apply this knowledge efficiently in the tasks which would be assigned to them in the military committees and directorates. Col Rolando Nieves, in his remarks closing the ceremony, referred to the general aspects of the course and expressed satisfaction at the average qualifications achieved. At the same time he congratulated the graduates and wished them success in the forthcoming tasks assigned to them. [Text] [Havana VERDE OLIVO in Spanish 28 Jun 81 p 55] 5170



MEXICAN TRAINING SHIP ARRIVAL--The Commodore Manuel Azueta, a training ship of the United Mexican States Navy arrived in the port of Havana today for an official visit to our country that will end on 16 August. The visit is a part of a training voyage that will take the ship to several countries. Rear Adm Osvaldo Forzan Marquez, director of the Heroic Naval Military School, is captain of the training ship, which is manned by midshipmen from the school. The visitors met with Vice Adm Aldo Santamaria Cuadrado, vice minister of the Revolutionary Armed Forces and chief of the Cuban Revolutionary Navy [MGR], who extended a fraternal welcome to them. During their stay in Cuba, the training ship personnel will visit MGR units, economic centers and sites of historical and cultural interest. [Text] [FL131858 Havana Domestic Service in Spanish 1800 GMT 13 Aug 81]

COUNTERREVOLUTIONARY OFFICE IN MIAMI--In another step of its aggressive escalation against Cuba, the U.S. Government has authorized the opening of offices in Miami to recruit Cuban counterrevolutionaries to send them to the naval base of Guantanamo, Cuban territory illegally occupied by the United States. The U.S. newspaper DIARIO LAS AMERICAS has published the addresses of the first two offices opened in Miami. It also published remarks by counterrevolutionary ringleader Wilfredo Navarro who said that the objective of going to the Guantanamo Naval Base is to install there a government in arms and immediately request its international recognition. Camps to train terrorists with a Cuban-origin also freely operate in Miami with the objective, according to public statements, to prepare armed attacks on Cuba, to make attempts against the lives of Cuban leaders and to sabotage the economy. [Text] [PA1111958 Havana International Service in Spanish 1800 GMT 11 Aug 81]

COMMENTS ON AIR CONTROLLERS STRIKE--The intransigence shown by the Republican Administration with regard to the strike by U.S. air controllers, in addition to being visible evidence of the imperialists' opposition to workers and labor unions, continues to cause serious inconveniences to the citizens of that country. These are pictures of the situation prevailing at John F. Kennedy airport in New York where over 10,000 persons are patiently waiting to travel to their destinations. A large number of flights have been suspended because of the scarcity of personnel working in flight control and their deficient knowledge of this specialty, which requires great technical experience and great skill. So far, there have been 10 air accidents in the country, with a toll of 22 dead, while the authorities of the Department of Transportation and President Reagan maintain their intransigent position of refusing to negotiate an agreement with the controller's union. [Text] [FL121854 Havana Domestic Television Service in Spanish 1700 GMT 12 Aug 81]

U.S. WEATHER BALLOON SPYING--A U.S. military spokesman in Florida has admitted that a balloon called "Fat Albert" used by the U.S. Air Force in electronic espionage missions against Cuba broke loose from its moorings last night and today was drifting over the Gulf of Mexico. The balloon was tied down at a base in southern Florida. It carries radar equipment which, while it was under the control of the U.S. Air Force, made it possible to spy on Cuban air traffic over the line of the horizon. [Text] [FL112349 Havana Domestic Service in Spanish 2300 GMT 11 Aug 81]



WFTU PROTEST OF REAGAN 'REPRESSION'--The WFTU today denounced the abusive attack launched by the U.S. Government against striking U.S. controllers. It cites, for example, the permanent dismissals and blacklisting of all the strikers, as well as the imposition of \$100,000 per hour fines and the arrests of labor leaders among other measures that the organization describes as a real threat to workers and labor unions. In its statement, the organization, which is based in Prague, Czechoslovakia, indicated that it sent a telegram of protest to President Ronald Reagan on learning of his repressive actions. The WFTU adds that this situation requires united resistance from workers in all countries. It hails the bravery of the striking U.S. air controllers and their firmness in the face of the Reagan threat. [Text] [FL121948 Havana Domestic Service in Spanish 1823 GMT 12 Aug 81]

CRITICISM OF NEUTRON BOMB DECISION--Prague--The Christian Peace Conference has firmly condemned the decision reached by U.S. President Ronald Reagan on the 36th anniversary of the atomic bombing of Hiroshima; namely, to commence large-scale production of the neutron bomb. A statement issued by the organization, which is made up of dignitaries of 86 countries, emphasizes that this step by Washington will lead to an intensification of the arms race and greatly inhibits disarmament talks. [Text] [FL131549 Havana Domestic Service in Spanish 1400 GMT 13 Aug 81]

ACTIVITIES OF MEXICAN MIDSHIPMEN--Read Adm Osvaldo, (Fourzan Marquez) and other members of the command of the "Commodore Manuel Azueta" training ship of the Mexican Navy, which is visiting our country, have laid a floral wreath before the statue of Benito Juarez at Fraternidad Park. Attending the solemn ceremony was Capt Pedro Perera Ruiz, first deputy chief and chief of staff of the Revolutionary Navy. The director of the Heroic Naval Academy and other officers also visited the Cuban-Mexican Association of Cultural Relations where they were received by Faustino Perez, president of the Cuba-Mexico Friendship Association, and other Cuban personalities. Present in the ceremony were Mexican Ambassador to Cuba Gonzalo Martinez Corbala; Brig Gen Manuel (Lomeli Gamboa), military attache of the Mexican Embassy; and Col Jose Quevedo, deputy chief of the foreign relations department of the Revolutionary Armed Forces Ministry. Later in the day, they visited the Naval Academy of the Revolutionary Navy where they were briefed on the center's characteristics and objectives, the ongoing program of construction to complete the installation and the educational program for the formation of cadres for the navy, merchant marine and fishing fleet. The Mexican officers concluded their visit with a tour of the various areas and installations of the academy. [Text] [FL151331 Havana Domestic Service in Spanish 1045 GMT 15 Aug 81]

CSO: 3010/1556

## PREMIER CHARLES SCORES GRENADA ON CDB LOAN

FL172011 Bridgetown CANA in English 1949 GMT 17 Aug 81

[Report by Peter Richards]

[Text] Roseau, Dominica, 17 Aug (CANA)--Dominica has taken issue with Grenada, which recently objected to being excluded from an American Government \$4 million aid package intended for the Caribbean. Roseau's stand on the issue and a number of other foreign policy matters--including the Guyana-Venezueal territorial dispute--was detailed by Prime Minister Mary Eugenia Charles in an interview [passage indistinct].

The package was intended for the Caribbean Development Bank (CDB) for on-lending to some of its eastern Caribbean members. The bank later said it found the conditionality unacceptable and the package was abandoned. The planned exclusion of Grenada, where a left-leaning government seized power in a 13 March 1979 revolution, was another sign of soured relations between Washington and St Georges.

On radio yesterday, Miss Charles raised the question of the Grenada Government's refusal to hold general elections. She also called for a peaceful settlement to the Guyana-Venezuela dispute. The Dominica leader talked about relations with Cuba, saying she suspected Cuba was a destabilizing influence in the Caribbean.

The Caribbean's first woman prime minister said that her government was of the opinion that the Guyana-Venezuela conflict "must be brought to the United Nations for settlement." Miss Charles said that her government was aware that there were documents allowing for the settlement of the conflict "through the UN machinery," adding "they must be forced to do it that way."

"I can see absolutely no reason for violence. I am against violence on either side and I believe we must, as other sister countries of CARICOM (Caribbean Economic Community), insist that their own regulations and agreement must be brought to the United Nations for settlement," she remarked.

Venezuela claims five-eighths of Guyana, a claim rejected by the Forbes Burnham government. The two countries have had a series of sharp exchanges on the matter.

Miss Charles, who is also foreign affairs minister, said she did not believe that Venezuela was trying to colonize the region through its program of economic aid,

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a charge made by Colombia. "If she is doing it, she is doing it very slowly and only in words," Miss Charles said. "I have told the Venezuelans themselves that they are always promising. I think that Venezuela is quite clear that she has a Caribbean coast and she has to keep on peaceful terms with her neighbors."

Miss Charles took issue with the People's Revolutionary Government (PRG) in Grenada, noting that her administration may very well take the same point of view--in condemning the alleged human rights violations there--as her Dominica Freedom Party (DFP). The DFP, in a statement last month, criticized the Grenada Government's decision not to hold promised free and fair general elections, as well as outlined alleged human rights violations there.

Miss Charles said: "If Grenada wants to belong to the Organization of Eastern Caribbean States (OECS), she must understand that the other members are going to find fault with her when it affects us, and I can't see why they can be annoyed about this. They must understand that they belong to a grouping that you do not only praise the people...."

Both Dominica and Grenada belong to the OECS, an integrationist grouping comprising seven small Caribbean territories which was recently launched. Miss Charles said that although she was not speaking on behalf of other members of the OECS she was of the opinion "that most of us in the OECS feel that the way to correct things in Grenada is to belong in groupings with her and try to get things back to normal for the people in Grenada." She added: "They are not normal now and nobody can say that they are."

On the \$4 million aid package, she said that she was blaming the Grenadians for its abandonment "because the Grenadians could have said we don't want any of this money. We don't like the Americans. We don't want the money and we don't want to deprive our sister islands of this sort of help, so we will withdraw from it and let them be able to accept the money." She added: "There was no such word from Grenada. Grenada did not care enough about us that require the money so badly so as to withdraw from the scheme so that the others could benefit from the scheme."

Commenting on U.S. plans to stockpile the neutron bomb, she said: "I am against anything that has to do with violence, and hate to see the stepping up of anything which indicates that some persons have in mind that the only way they could solve our problem is by use of violence." She said that while she was of the opinion that you can only fight strength from a position of strength, no one knew what monsters the Soviet Union was creating against the world.

She welcomed planned independence from Britain for Belize and she said she did not believe that Guatemala would invade the country to back up its territorial claim.

On relations with Cuba, Miss Charles said: "I will not be prepared to enter into diplomatic relations with Cuba," adding "I am not sure that Cuba's role in the Caribbean is not to destabilize some of the countries which are not opposed to her ideology. I will have to have proof of the contrary before I would be prepared to enter into diplomatic relations with her."

CSO: 3025/1026

## DEFENDANT ADMITS ROLE IN CONSPIRACY

FL141855 Bridgetown CANA in English 1812 GMT 14 Aug 81

[Report by Peter Richards]

[Text] Roseau, Dominica, 14 Aug (CANA)--A 27-year-old Irish-Canadian woman, charged by Dominica police with conspiring to overthrow the Dominica Freedom Party administration of Prime Minister Eugenia Charles earlier this year, today admitted in court here to her role in the conspiracy.

When the preliminary inquiry into the charges against Marian McGuire entered its second day today before Dominica's chief magistrate, Charles Williams, the court was told by police Constable Philbert Alfred about a cable which the accused sent to someone named Gorde Sevielle in Ontario, Canada. The police constable stated that McGuire, a nurse, had acknowledged sending the (?well coded) cable which contained vital information needed by other persons involved in the conspiracy.

She was held by police here after Federal Bureau of Investigation (FBI) agents in the United States had arrested and charged a group of 10 mercenaries as they were about to set sail for the Caribbean island to overthrow the government by force of arms.

Constable Alfred added that even after cautioning the accused, she proceeded to give information which she later signed as "true and correct." The six-page statement said to have been signed by McGuire revealed that she was an alcoholic who had entered a psychiatric unit in Canada for treatment where she met and later married a man with similar problems. She added that after 4 months, her husband returned to drinking and that their marriage was a failure. As a result, she was very depressed and had even contemplated suicide.

The statement pointed out that at a party in March this year, McGuire met Wolgan Drouge, and Alex McQuiter who she said she knew were involved in "white supremacy politics." They told her they were planning to visit the United States and the Caribbean "on business" and she was assigned to visit Dominica.

Drouge was one of the 10 mercenaries sentenced by a New Orleans court recently for their part in the conspiracy. They pleaded guilty.

The statement further said McGuire disclosed that the two men explained that her visit to the island was to assist them in freeing detainees from prison, including ex-Prime Minister Patrick John, and afterwards installing John as prime minister. The woman added that she had accepted the deal, refusing the money which they had offered her, because she wanted to get away from her husband.

She also revealed that she was later introduced to Michael Perdue, the convicted leader of the mercenary group, who told her their plans had been carefully worked out, and that they had support in Dominica.

She was to be joined in Dominica by two people including the said Sevielle to whom she had sent the cable the day after she arrived. She pointed out that up to the time of her giving the statement to the police neither had arrived.

McGuire's statement continued that on reaching Dominica, she had had second thoughts about the plan and had informed the group that "a lot of people would have been killed because of the insane plan." "I was scared and confused and did not know what to do," the statement quoted her as saying, adding that she had returned to heavy drinking.

When asked by Chief Magistrate Williams whether she wanted to question the officer at the end of his testimony, McGuire admitted that everything that had been disclosed was "true and correct." McGuire, who is not represented by council, was latter committed to stand trial at next month's assizes.

Presenting the case on behalf of the crown are Dr Lloyd Barnett of Jamaica, Barbadian Queens Counsel Elliot Mottley and Dominica's director of public prosecutions, Sylvia Bertrano.

CSO: 3025/1026



## REVOLUTIONARY PARTY LEADER VIEWS CUBA, U.S.

PA082147 Panama City Domestic Service in Spanish 1700 GMT 7 Aug 81

[Statement made by Hatuey DeCamps, president of the Dominican Chamber of Deputies and leader of the Dominican Revolutionary Party, in Panama City, no date given--recorded]

[Excerpts] I think that as a fraternal Latin American country, Cuba totally changed its policy of exporting guerrillas several years ago, perhaps following Che Guevara's activities in Bolivia and later the activities carried out in the Dominican Republic by then-Col Francisco Alberto Caamano Deno, who went to Cuba, left Cuba and died in the Dominican Republic.

The guerrilla method has failed, particularly in my country. As far as I know, Cuba is not engaged in a process of subversion or disruption of (?the economy). In the case of the Dominican Republic, relations have been maintained at the sports and cultural level, and in some other areas. We don't (?want) diplomatic relations. We respect the Cuban revolutionary process, but we are not members of the organizations to which Cuba belongs with other countries. Cuba is led by the Communist Party of Cuba while we are members of the Socialist International, which is of social democratic persuasion. We respect the Cuban leaders very much, but we obviously do not agree as to our [words indistinct]. We think that in the past few years, Cuba has adopted a position which it should preserve and guarantee. Particularly with regard to the Dominican Republic, we have never (?seen) any indications that Cuba is plotting to disrupt our situation [words indistinct].

It has been said that Cuba has exported weapons to Central America and has helped to subvert and to (?worsen) the situation in El Salvador, Nicaragua and other countries. I would like to note, however, that in Nicaragua's case all of us who uphold any type of democratic principle acted as subversives because Nicaragua's situation could not continue the way it was. Somoza could not continue massacring his people; he couldn't continue dropping bombs on his people. So even if Fidel helped, help went beyond Fidel's framework, since there were very conservative and anticommunist people who also opposed Anastasio Somoza.

As for the Salvadoran case, it isn't true that either the Salvadoran guerrillas or the government forces will crush the other side. We believe a dialogue, a negotiation or some solution should be reached. We hope that the sectors involved will

reach that type of agreement so that the situation in El Salvador evolves correctly without any major bloodshed. We are very concerned over the situation in El Salvador.

The Guatemalan case is extremely difficult and we also view it with great concern. Democratic leaders such as Colom Argueta, Alberto Fuentes Mohr and many others have been killed there and that is a real tragedy.

To go back to the question on Cuba, Cuba has a very well defined doctrine and political position which do not necessarily have to be shared by other Latin American countries. In the case of the Dominican Republic and our party, it is different. I reiterate our respect for the Cuban revolution. Now, our country has no business jeopardizing the security of other countries and we are not jeopardizing this security. We are not implying in this manner that Cuba is jeopardizing this security either. However, the Dominican Republic holds a very well-defined position both internally and internationally.

It could be said that our position is quite conservative because it has not been as aggressive and marked by solidarity as it might have been within a democratic context. I would say that Panama is more active, so is Venezuela. The Dominican Republic should be more active. I expect that this may be achieved within the context of our future international relations. However, I want to clearly establish that any government that succeeds the present one in the Dominican Republic will not jeopardize U.S. security. I hope President Reagan understands that respect for human rights, which was upheld during President Carter's administration, must be maintained and guaranteed. (?Since) Carter respected the Dominican people's will so much, I expect that President Reagan will also respect it. This will is currently being expressed by means of a new electoral concept.

I also think efforts should be made to respect the people's will in Central America. Reason imposed through the use of weapons is no reason. Reason is imposed by both the law and the people. Weapons should guarantee respect for the people's rights. Military power should be subordinate to civilian power [word indistinct].

CSO: 3010/1706

## BRIEFS

REQUEST HELP TO FIND USSR SPIES--Santo Domingo, 31 Jul (AFP)--Lt Gen Mario Imbert McGregor, secretary of the armed forces, today said that if the Dominican security authorities deem it necessary, the government would request the "cooperation" of U.S. intelligence services to "locate" the alleged Soviet spies in the country. Imbert McGregor was referring to a statement made by an adviser of President Ronald Reagan in Santo Domingo yesterday who said that "it is true" that there are Soviet spies in the Dominican Republic. He added that meanwhile the armed forces "will carefully investigate" the charge which was published on the front page of the Dominican papers today. Asked about this in a news conference yesterday, Roger Fontaine, security adviser to President Reagan who is visiting the country, said that it is true that there are Soviet agents in the Dominican Republic. However, he said that he could give no more details on this. It was said that Fontaine is currently making a number of contacts with different sectors in various Latin American countries in order to inform President Reagan about the overwhelming problems of these nations. "So far," Imbert McGregor said, "we do not know if it is true that these Soviet agents are in the country." [Text] [PA010029 Paris AFP in Spanish 2355 GMT 31 Jul 81]

CSO: 3010/1706

## GOVERNMENT NOT PLANNING TO TAKE OVER FIRMS

PA010114 Quito Voz De Los Andes in Spanish 1230 GMT 30 Jul 81

[Text] Ernesto Alban Gomez, secretary general of public information, has emphatically announced that the government is not thinking of placing enterprises under state control and that its position strictly adheres to the national development plan. He stressed that the government's policy is aimed at strengthening the sector currently in state hands.

[Begin recording] I refer to reports published by some of the country's daily newspapers that the private sector will hold a meeting tomorrow.

The representatives of the various chambers representing production, commerce, industry, agriculture and other fields will meet tomorrow and, as suggested in those reports, will make certain decisions and eventually take some steps in connection with certain government policies.

Since these reports and any comments they may elicit may give rise to some innuendo, it is necessary to stress the following points on behalf of the national government.

The government reiterates once more that it unswervingly adheres to the national development plan. Therefore, no expansion of the state-owned sector is envisioned. The government's efforts will be fundamentally aimed at strengthening the sector currently in state hands, to reinforcing and improving its decisionmaking power, performance and efficiency. Government activities during the next few years will be exclusively devoted to this end.

Naturally, the government respects--and it could not be otherwise--the right of the country's various sectors to unite, to adopt decisions and policies, to submit requests, to form associations and, in a nutshell, to exercise any right guaranteed by the constitution and the laws.

Obviously, the government expects all organized groups to abide strictly by the laws with respect to their plans and behavior. However, should any unlawful attitudes be adopted or any wrongful acts be committed, the government will be entitled to take action in accordance with the powers the laws grant it. [End recording]

CSO: 3010/1696

## BRIEFS

SUSPENSION OF MINISTERS' MEETING--Ecuador has proposed the indefinite suspension of a meeting of foreign ministers of the five members of the Andean Pact, originally slated for 24 August in Caracas, Venezuela, Foreign Minister Dr Alfonso Barrera Valverde has announced to the media. According to the minister, our country feels that a meeting of the Andean Foreign Ministers Council should be either the result of some prior, lengthy, well-documented and serious work or the basis for some future work. According to him, there has been no such prior work. As concerns the adoption of a new stand, he expalined the conditions that the government would impose prior to a foreign ministers' meeting: the operation of an Andean justice tribunal and an end to delays and nonfulfillments. He added that if the Andean group can neither discuss nor define territorial programs, guarantees should exist, nonetheless, that the [word indistinct] will be totally eliminated. [Text] [PA021732 Quito Cadena Ecuador Radio in Spanish 2300 GMT 31 Jul 81]

CSO: 3010/1696



## SALVADORAN STUDENT LEADER ON U.S. EXERCISE

PA121255 Havana International Service in Spanish 0000 GMT 12 Aug 81

[Interview with Oscar Bonilla, president of the General Association of Salvadoran University Students, by Nestor Nunez for Radio Havana, in Havana, no date given--recorded]

[Text] [Bonilla] Through the Continental Organization of Latin American Students, OCLAE, we have managed to break through the information and communication blockade imposed by the U.S. Government in El Salvador. The OCLAE has made it possible for us to inform all its members of the real situation of the war being waged by our people to gain their definite liberation against the Christian Democratic-military junta. It also has been the most important means of solidarity of all the peoples and has gotten us ready to form an anti-interventionist student front in El Salvador, Central America and the Caribbean.

[Question] Every day we receive news of the increasing imperialist intervention in El Salvador. There is a specific reference to the "eagle eight" operation whose objectives is to attack the strategic bases of the Salvadoran revolution. Could you tell us anything about this imperialist plan?

[Answer] The "eagle eight" operation is aimed at attacking on all fronts the revolutionary movement represented by the Farabundo Marti National Liberation Front, FMLN, in a joint operation of the Guatemalan and Honduran armies together with the Salvadoran Army, plus special troops which the United States is moving toward the border with El Salvador. They have indicated that in order not to meet with the opposition of the refugees, they are going to be located in a strategic military camp, from where they can control the refugees in case they want to interfere with the "eagle eight" operation which will be carried out this month. We believe that this operation is intended to increase the massacre being committed against the people, which all the nations of the world should condemn as of this moment so that this operation will not be carried out which is nothing more than an excuse to try to reactivate the Central American Defense Council, CONDECA, and to use it against our brave people who at this moment are carrying the arms for their definite liberation. This operation is also related to the Salvadoran Air Force's use of toxic products supplied by the U.S. Government. The use of chemicals is to weaken the strategic positions of the guerrillas and the revolutionary army which will afterwards be attacked by the artillery, armored cars and infantry troops under the command of U.S. military advisers of which there are 800 in El Salvador.

[Question] How have the Salvadoran students joined the revolutionary struggle?

[Answer] They've joined in many ways, most importantly by joining the military organizations, the guerrillas, the army and the militias and also by maintaining their active work with the people and in the medical brigades, the organizing of the people's power in the zones under the control of the FMLN, and in the field of education and production.

[Question] During the OCLAE fourth consultative meeting which just ended here in Havana, you referred to the need to increase the solidarity with the Salvadoran people. Could you talk about this?

[Answer] We believe that it is good to carry out immediate plans for actions which will permit us to stop an imperialist intervention in El Salvador. In this respect, the students of Latin America will have to confront and attack U.S. interests so that the United States will see how the Latin American and Caribbean students movement responds to an aggression by imperialism in El Salvador. This, we believe, is the main emergency action to be carried out so that the United States realizes what our reply is going to be and to promote that broad movement of solidarity to stop the imperialist intervention in El Salvador and any other part of Central America and the Caribbean.

CSO: 3010/1709

## U.S., GRENADA ASKED TO END CONFRONTATION POLITICS

FL010053 St Georges Domestic Service in English 2300 GMT 31 Jul 81

[Text] At the time when the most powerful and the most reactionary newspapers in the region are carrying out almost daily attacks against the Grenada revolution, a widely-read regional newspaper has said that it had no intention of joining the current campaign against Grenada.

In a page one editorial in its August issue, CARIBBEAN CONTACT, organ of the Caribbean Conference of Churches, described the campaign against Grenada as an anti-Cuba, anti-communist campaign being spearheaded by some of the most reactionary spokespersons of the media interests in the United States and the Caribbean. [Words indistinct] committed to exposing the Reagan administration plans which are designed to remove the PRG [People's Revolutionary Government]. The paper said it sees Washington's destabilization campaign against the PRG as an extension of America's war against Cuba and as part of its overall scheme to prevent socialism from spreading in this region where the United States says pluralism is to be (?respected).

The paper's editorial said that the Reagan administration, with its hypocritical policy on human rights, has said and done much to promote an atmosphere of instability in Grenada [words indistinct] small countries as a bully. Mr Reagan's bedfellows include the rulers of racist South Africa, Chile, Haiti, Guatemala and El Salvador, the paper said, but as a condition for the normalization of relations with Grenada he insists on the holding of elections. The CONTACT said that the Reagan administration is not really interested in the civil liberties of the Grenadian masses. Otherwise, it would have been advocating free and fair elections in other countries where they do not exist.

The paper called on critics of the PRG in the region to be sure about who is the real enemy and destabilizing force in the region and said that if any harm comes to the leadership of the PRG, it would be in no doubt about U.S. involvement. The CARIBBEAN CONTACT concluded its [words indistinct] editorial by hoping that all Caribbean governments would demonstrate a healthy respect for civil liberties and that new initiatives would be taken in Washington and Grenada to end the politics of confrontation that pose a threat not only to Grenada but to the entire region.

CSO: 3025/1026

## LAND DEVELOPMENT, UTILIZATION LAW ENACTED

FL150041 St Georges Domestic Service in English 2300 GMT 14 Aug 81

[Text] The policy of government to insure the development of the productive resources of Grenada took a step forward today with the enactment of a new law entitled "The Land Development and Utilization Law 1981." The law establishes a Land Development and Utilization Commission with responsibility to insure that agricultural lands are not left idle by their occupiers.

[Begin recording] Where such agricultural lands is 100 acres or more in area, and is left idle or under utilized by the occupier, the law entitles the commission, after hearing the parties concerned, to require that the land be developed by persons responsible for it according to a development plan approved by the commission. Where in spite of this the land remains undeveloped, the commission will report to the minister of agriculture. In such circumstances, the law gives the minister the power to acquire compulsorily [words indistinct] the land at a rate fixed according to a formula set out in the law. Interested parties are entitled to make representations before such steps are taken. Under the law, where the minister compulsorily acquires [words indistinct] interest in idle land, a declaration to that effect is published in two issues of the GAZETTE and the government may then enter and take possession of the land in the interest of agricultural development.

Unlike similar laws in other countries, Jamaica being an example, the law does not provide for outright compulsorily acquisition of title to the land. It limits the period of [words indistinct] acquired by the minister to a maximum of 10 years. (Alley Basily) for RFG [Radio Free Grenada] News. [End recording]

CSO: 3025/1025

## BRIEFS

CUBAN EMBASSY ANNOUNCES MEETING--St Georges, Grenada, 3 Aug (CANA)--Intellectuals from Latin America, the Caribbean and Europe will be meeting in Cuba later this year to discuss a wide range of political, economic and social issues, the Cuban Embassy here has announced. The embassy said that the academics will look at a broad range of related questions, including economic and social factors that affect the sovereignty of Latin American peoples. The meeting will also discuss culture as an international capitalist industry, current methods of imperialist cultural penetration, popular culture as a means of resistance, urban and rural culture, and concrete steps intellectuals can and must take to help reconquer, in some cases, and to preserve and develop, in others, the sovereignty of the peoples of Latin America and the Caribbean. The meeting to be hosted by the Casa de Las Americas Publishing House in Havana is scheduled for 3-18 September. [Text]  
[FL032101 Bridgetown CANA in English 1759 GMT 3 Aug 81]

CSO: 3025/1026



## BRIEFS

YUGOSLAVIA OFFERS AID--Georgetown, Guyana, Wednesday, (CANA)--Yugoslavia has offered to help Guyana develop its agricultural sector and promote ties between the two countries in a number of areas. The government-owned CHRONICLE newspaper said the offer was conveyed by Yugoslav envoy Lazarevski, when he paid a courtesy call on city mayor, Mavis Benn. The Yugoslav diplomat noted that Guyana had a climate suitable for the cultivation of wheat and other essential food items on commercial scale. "Yugoslavia is willing to share its technology with Guyana in helping to develop this country's agricultural sector," the CHRONICLE quoted the Yugoslav official as saying. Doctor Lazarevski said Yugoslavia can provide Guyana with seeds and seedlings for experimental planning. He proposed the formulation of programs for an exchange of delegations between the two countries and to develop closer relations in the educational, social, cultural and economic fields. [Text] [FL171740 Bridgetown ADVOCATE-NEWS in English 13 Aug 81 p 3]

CSO: 3025/1026

## SEAGA COMMENTS ON ECONOMIC SITUATION

FL121508 Kingston DAILY GLEANER in English 6 Aug 81 pp 1, 14

[Text] A review undertaken recently by the IMF has substantiated similar reviews done by local public agencies that the economy has turned around, Prime Minister Edward Seaga said yesterday, and 1981 would mark the end of successive years of negative economic growth.

The IMF review agreed with reviews done by the National Planning Agency, the Bank of Jamaica and the Department of Statistics that the worst the economy could do this year would be to register zero growth.

Speaking in the House of Representatives on the government's economic performance up to June 1981, Mr Seaga said:

"All the agencies agreed that the economy has turned around and that the successive years of negative growth will come to an end in this first year of the recovery program."

"It is agreed that the economy is responding to the economic strategies and that at the worst there will be zero growth and at the best in excess of 2 percent real growth, by comparison with minus 5.4 percent negative growth last year."

He said that the leading sectors in the recovery projected to show positive growth were: construction and installation, nongovernment services, the distributive trades, manufacturing, agriculture, forestry and fisheries.

There would be zero growth or a slight reduction in mining due to cutbacks in alumina production already announced and further possibilities which may arise due to the poor demand on the world market. However, bauxite had shown a 6.3 percent increase in production in the first half of the year and the government was still very actively pursuing additional sales which were considered adequate in relieving the pressure on the economy in terms of foreign exchange.

The construction industry was expected to show increased activity with real buoyancy toward the end of the year. A total of \$25.4 million worth of projects had already been approved, compared to \$11.7 million in 1980.

Positive trends have been shown in domestic agriculture and livestock, but a negative trend in export agriculture, notably coffee and sugar. The reduction in sugar could continue next year. Because of the shortage of fertilizer and other factors, increased production was not expected until 1983.

Mr Seaga said that \$1,831,000,000 had been made available to cover imports, which were not expected to be more than \$1.5 billion. He said the government was putting into place a system whereby the excess created by the non-use of import licenses could be passed onto latecomers who really needed the licenses.

He said that U.S.\$542 million was made available between January and June for the importation of raw materials compared with \$378 million in 1980 and \$350 million for capital goods compared to \$218 million in 1980.

There was a 239 percent increase in the area of no-fund licenses over 1980, with the figure jumping from \$64 million last year to \$217 million this year.

Comparing export figures, the prime minister said that total exports for January to June 1981 were \$946.7 million compared to \$880.6 million in 1980. Although there were declines in the export of bananas, citrus, coffee, cocoa and pimento, there were improvements in the areas of bauxite/alumina, sugar and gypsum, creating an increase of 9.7 percent.

On tourism the prime minister said that there was a 40 percent decline in November and negative results between December and April. However in May there was a 2.6 percent increase and the month's figures were the best in any year. There was a 2.9 percent increase in June and a 10 percent increase in July. Further increases are expected in August.

The indications were that the slide had been halted and an upturn commenced within the first 7 months of the projected 18-month period set for the recovery to reach the [desired] levels.

Mr Seaga said that there was a very strong interest growing in making Jamaica a prime destination again in the travel trade.

#### Divestment

The divestment program in the industry to line up new leases for national hotels and properties' hotels was on target and decisions would be taken this month on hotels that would be divested. A financial package was being negotiated to assist the private hotels.

Government was looking at a program for basic training to be provided to all operatives in the industry to instil efficiency, friendliness, cooperation and knowledge of the country.

Mr Seaga said the new advertising campaign for the industry in North America was drawing the highest commendation of the trade. He announced that the Venezuelan Government had taken a decision to run the promotional tourism advertisement free of charge to the government of Jamaica in its news media.

"It can be said, and I say this with some purposefulness, that tourism is on the upturn. The government has put its weight behind the sector with all the right inputs and the tourism sector can look forward to improved performance unless anyone has in mind sabotaging it," the prime minister said.

Speaking on credits provided for the private sector, Mr Seaga said, credit provided this year would total \$280 million compared with \$146.9 million last year, of which construction had received \$74 million and manufacturing \$96 million.

He said that sources would be the commercial bank deposits of \$224 million and \$62 million from the Export Development Fund.

On the interest rates, he said that tight money markets may have developed at certain points as demand outstripped available resources, but the demand and supply of funds were in balance.

Speaking on the divestment of public sector companies, Mr Seaga said several companies being negotiated for sale to the private sector were not moving as fast as some people would desire. However, he said, there were problems in preparing the accounts as several of the firms have had no financial statements for the last 3 or 4 years, and some negotiations were very complex.

#### Deregulation

On deregulation, he said the purpose was to shift certain domestic products into the export market and to open up the market to the consumer to provide a greater variety of items and better prices. The procedure involved selection and study of subsectors on which discussions were taking place to enable the shift to take place without dislocations.

Complaints in certain circles of shortages of funds to stimulate local buying power and to import raw materials, must be seen against the background that the economy is just now entering the phase when the funds become available to significantly assist the recovery period.

"None of this programmed assistance could have taken place a day or week earlier because of the periods of negotiation required. The economy is now poised for more significant movement in the months ahead than it has been in the past months," the prime minister said.

The consumer price index had performed in amazing fashion consistent with the turnaround in the economy, and had shown a 0.9 percent increase in the first 6 months of this year compared with a 28 percent increase for the same period last year. He said that there had been decreases in food prices and to a large extent the black market system had been "knocked away."

On the labor force figures, he said unemployment figures for April had dropped from 27.9 percent in 1980 to 26.2 percent in 1981 or from 272,000 to 263,000 across the board. There was a decrease in unemployment in every sector except mining and quarrying and public administration.

## Wages

Public sector wage settlements contributed significantly to the stability, Mr Seaga said.

"Those public sector bodies not yet settled, should now look at the overall response of the economy and judge whether they propose to fit into the pattern of stability and recovery or propose to pursue self-interest only," he said.

In summary, Mr Seaga said, the outline mid-year review demonstrated that economic recovery had started. How well it succeeded depended on how much Jamaica wanted it to succeed or fail.

Mr Seaga said: "Imports are up, raw materials are up, import licenses are up, credit is up 100 percent to the private sector. The economy is showing signs of response to the economic strategy. The major indicators are moving in the right direction.

"We can keep them moving in this manner in which case economic recovery will be a reality, or we can frustrate or negate or reduce our own performance if things don't go entirely to our own selfish ends.

"And, we can talk ourselves into frustration if the pace isn't quick enough by not understanding the time necessary for implementation.

"The government on its part will continue to make the resources available for recovery on the basis that the people are ready to convert these resources into production and that we begin our 20th year of independence with this determination.

## Production

"No country can expect to be fully independent if it does not place its own performance in a category to produce to enable it to have sufficient resources to mobilize its people for progress.

"To the extent that we cannot show growth, we reduce the size of our cake, the size of performance and we must continually go to someone else with an open hand begging for the difference between our cake and their cake.

"The mendacity of the past and the beggarliness of the past is not consistent with an independent people. We have two ways to choose from. Either in the 20th year of our anniversary or the 21st year when we are supposed to come of age during which in all of those cases we have a choice to determine which year we will determine whether we are going to demonstrate if we are capable once again of restoring this country to a path of growth. [Sentence as published]

"It is only on the basis of growth that the people of the country, and more so the poor who have less resources, can look to for the sharing of development to improve their standards of living. There is no other means. No system in the world, no matter what ideology, can exist on the basis of decreasing its production each year;



so reducing its production in a downward spiral until it ends up in zero position. Our undertaking is to reverse that trend.

"Some people believe that this trend should not only be reversed, but that in the 9 months of life of this government birth should be given to a new child. We have to repeat that economic recovery must cover a period of 36 months or 3 years, for the reason that we are not involved in giving birth to a new child, but we are involved in the process of reviving the dead."

CSO: 3025/1026

## MANLEY WARNS AGAINST 'UNBRIDLED CONSUMERISM'

FL172242 Bridgetown CANA in English 2238 GMT 17 Aug 81

[Report by Paget Defreitas]

[Text] Kingston, Jamaica, 17 Aug (CANA)--Former Jamaican Prime Minister Michael Manley has warned the country against "unbridled consumerism" in view of the island's massive trade imbalance. In a weekend address at a Jaycees service club conference in the north coast tourist town Ocho Rios, Mr Manley also said Jamaica should shun an economic development strategy that laid the onus on foreign capital if national development here was to make significant advances.

The opposition leader said Jamaica had an unfavorable trade balance of more than 100 million dollars (JCA dollar; 56 cents U.S.) in the first 4 months of the year. He told delegates that consumers must at times be prepared to make sacrifices for nation building, and that foreign capital should be an additional element to an economic strategy planned and implemented by Jamaicans.

The speech was an apparent criticism of the new Edward Seaga government's reliance on private foreign capital as a central piece of its economic development strategy, and the administration's commitment to deregulating imports.

Mr Manley set his argument within the context of a small country wishing to strengthen its economic base and yet preserve its independence. In outlining the fragility of the Jamaican economy, Mr Manley noted that in the first 4 months of this year the island's total exports amounted to 635 million dollars, of which the bauxite/alumina industry amounted to 494 million dollars.

"Everything else that we exported--sugar, bananas, coffee, citrus, nontraditional agriculture, manufactured goods--totalled 141 million dollars or a bare 22 percent of everything exported from Jamaica," Mr Manley said. During the same period, he added, total imports stood at 745 million dollars, with food accounting for 148.4 million.

One of the things this indicated, the ex-prime minister said, was that a 10 percent cut in the bauxite/alumina industry in the first 4 months of the year would have meant a 50 million dollar shortfall in the country's foreign exchange capability. Other exports would have had to increase by more than a third to make up for the small reduction in bauxite/alumina output. This, he said, served as a reminder of

Jamaica's slender margin of survival and illuminated the choice the country had to make, which was essentially building local production.

"I believe that the highest economic priority that this country can have as an independent, small country suffering from that kind of fragile economic base is the building of local production capability in both manufacturing and agriculture," Mr Manley said. He spoke out against any philosophy that allowed "the most superficial interests and needs and desires" of the consumer to become the dominant factor in policy. He said that this always had to be weighed against the interest of the local producer.

It was short-sighted to just look for the cheapest form whichever place before first placing this in the context of other national economic needs, the most crucial of which was "our own production," Mr Manley said. He added: "While properly demanding quality and the best prices, the consumer should understand that there is a level at which they must sometimes be prepared to make sacrifices so that the national economic base grows under appropriate protection."

On foreign capital, he said that everyone agrees on its importance to Jamaica, but noted that there was a difference between "rewarding foreign capital as that additon to your economic effort that gets you into the range of favorable development and where foreign capital becomes the dominant economic thinking." Mr Manley added: "Foreign exchange should not become the center of economic strategy. We must always seek to preserve and build the greatest degree of genuine economic independence. Foreign capital should represent an important, and even indispensable additional element to a national economic strategy which is planned by Jamaica and built with our own hands."

CSO: 3025/1026

## ALUMINA COMPANY ANNOUNCES PRODUCTION CUTBACK

FL051630 Bridgetown CANA in English 1544 GMT 5 Aug 81

[Text] Kingston, Jamaica, 5 Aug (CANA)--A third alumina refining company here, Alumina Partners of Jamaica (ALPART), today announced a cutback in production because of depression in the international aluminum market. ALPART's production paring has followed similar moves last month by Alcoa and Alcan, who had said that they could not sustain existing production with the soft market.

ALPART is owned by Kaiser Aluminium and Chemical Corporations, Reynold Metals--both of which have other operations here--and Anaconda Metals. It said the cutback would reduce 1981 output by 45,000 tons.

Despite the reduction, the company said, so long as the present level of operating efficiency was maintained, overall output would reach 1.1 million tons of alumina, its highest ever. The company has a 1.2 million ton capacity, and said that under normal circumstances that figure could have been reached.

ALPART said that parent companies within recent months had been easing back on production by plants in and outside the United States. However, the decision to reduce in Jamaica had been delayed because of a desire to do everything possible to help in the island's economic recovery, as well as a reluctance to do anything to reverse the performance improvements shown by ALPART since late last year. However, the depressed aluminium market had left the companies no alternative but to opt for a reduction here. On 24 July, Alcoa began reducing production at its 500,000-ton plant by 20 percent, or 300 tons a day. Alcan said its production would be cut by 2.7 percent or 30,000 tons. This meant that the companies' output for this year would be 1.065 million tons of alumina, rather than the projected 1.095 million tons.

The bauxite mining firm, Kaiser, which last year produced a little over four million tons of the ore, said it had reduced the level of its shipments, but that had not affected mining operations. The other ore producer, Reynolds, has not yet made any announcement about its production.

CSO: 3025/1026

## CENTRAL BANK RELEASES DISAPPOINTING REPORT

FL061915 Kingston DAILY GLEANER in English 1 Aug 81 p 10

[Editorial: "Economic Performance"]

[Excerpts] Summarizing the performance of the Jamaican economy over the first 5 months of 1981 the Bank of Jamaica [BOJ] concluded in its monthly review published last week that the situation was largely disappointing. In a subsequent statement yesterday the Central Bank made clear, however, that this did not mean that the economic recovery program is not working. It said the first 5 months involved only 2 months of the 3-year recovery period.

Performance thus far appears to have been affected by poor output in the major productive sectors.

Listing certain commodities, used to compute the performance index, the Central Bank has shown that while cement and steel production registered increased output of 30 percent and 2 percent respectively in the first 5 months to May compared with the same period in 1980, and bauxite-alumina has maintained its pattern of rising output, in general the level of output was far from encouraging. In sugar the level of production fell short of the 1980 performance by 18.6 percent, while banana exports as expected, showed a most dramatic fall of 95 percent because of last year's hurricane damage.

In the balance-of-payments there was a substantial reversal from an overall surplus of U.S.\$52.8 million in the first 4 months of 1980 to a deficit of U.S.\$98.6 million in the comparable 1981 period, attributable largely to a worsening in the balance of trade. In the first 4 months of this year the value of exports increased by 20.6 percent while imports rose by 30.4 percent, so that the surplus in visible trade needed to improve the country's balance-of-payments deficit has not been forthcoming. The export sector, if anything, appeared to have weakened further in volume terms in the 5 months to May. On the import side, the government has had to relax the controls so as to help ease the critical shortage in basic supplies as well as in capital goods.

The BOJ's latest statement has pointed to indicators of positive trends in the right direction. Among them: total exports during the first 5 months of 1981 have grown by 9.3 percent compared with the similar period last year; credit to the private sector is running ahead of projections; and the rate of inflation has fallen from 28 percent last year to 0.7 percent in the first 5 months this year.

The overall situation while still serious is not as bleak as has been suggested.

CSO: 3025/1026



## BRIEFS

DROP IN UNEMPLOYMENT RATE--Kingston, Jamaica, 6 Aug (CANA)--Jamaica's unemployment rate in April was 26.2 percent, a 1.7 percent drop on the rate for the same period in 1980, Prime Minister Seaga disclosed in Parliament last night. According to the prime minister, the number of jobless in April stood at 263,000 against 270,000 a year previously. Mr Seaga said that there was a decrease in every sector of the economy, except mining and quarrying and the public administration. Mr Seaga gave no reasons for the position in these sectors. However, the bulk of the mining sector is covered by the big bauxite/alumina industry which employs about one percent of the work force--a figure that varies little. It is believed that the government's policy of pulling the reins on public sector hirings as part of its economic recovery program with the International Monetary Fund (IMF) was the cause of the program in that area. [as received] [Text] [FL061857 Bridgetown CANA in English 1709 GMT 6 Aug 81]

INCREASED BAUXITE, ALUMINA EXPORTS--Preliminary figures for Jamaica's bauxite and alumina exports for the first 6 months of this year were ahead of the first half of 1980, despite some fall-off in second quarter performance, the Jamaica Bauxite Institute says. Bauxite exported and processed locally amounted to 2.9 million tons in the second quarter as against 3.1 million tons in the first quarter of this year. The 6-month figure, however, was 6.1 million tons, a 6.3 percent increase over the 5.7 million tons recorded for January to June last year. Exports of unprocessed bauxite in the second quarter fell 15.3 percent to 1.3 million tons from 1.6 million tons in the first quarter of this year. However, the total of 2.97 million tons recorded for the first half was slightly better than the 2.96 million tons exported in the first half of 1980. Alumina exports were up 2.8 percent in the second quarter to 652,382 tons from 634,629 tons in the first quarter of this year. For the 6-month period, alumina exports were almost 1.3 million tons, 11.4 percent better than the 1.1 million tons in the comparable period of last year. [Excerpt] [FL121553 Kingston DAILY GLEANER in English 7 Aug 81 p 1]

AGREEMENTS WITH CANADA, JAPAN--Kingston, Jamaica, 15 Aug (CANA)--Jamaica has signed three balance of payment support agreements with Canada and Japan for approximately 38.8 million dollars (J), the government has announced. Two of the agreements are with Canada--one for 14.5 million dollars (CAN 10 million) to purchase agricultural equipment and other materials from [that] country to boost the local farming sector, and the other for 6.5 million dollars (CAN 4.5) to buy Canadian fish products. A government statement said that the first loan was free of interest and other service charges. It is to be repaid over 40 years after a 10-year grace period. The smaller loan carries a 5 percent interest and will be repaid over 15 years after a 5-year grace period. The loan from Japan is for 17.8 million dollars (2.1 billion yen) and is mainly for raw materials and capital goods. The Japanese loan is at .25 percent interest annually over 18 years. [Text] [FL151555 Bridgetown CANA in English 1543 GMT 15 Aug 81]

## DEMOCRATIC CONSERVATIVE LEADER SAYS FORUM 'DEAD'

PA062331 Managua LA PRENSA in Spanish 3 Aug 81 p 7

[Text] Dr Clemente Guido, coordinator of the Democratic Conservative Party [PCD], yesterday morning said that the national forum is dead and the political parties participating in it are trying to mummify it.

He then added: "The forum was stabbed to death on 19 July at the 19 July Plaza."

Guido said that the country's political situation after the decrees and laws of 19 July will be analyzed by the meeting of the plenum of the party which meets every Thursday. He noted that only the laws and decrees that appeared in THE GAZETTE and those which may serve as a basis for the analysis will be studied at this meeting.

We will issue a communique concerning this, Dr Guido said. It will be a thorough analysis because it will be based on legal documents.

Asked what he thought about the national forum, Guido said:

"I do not think the forum is at this time dying but dead and it is only apparently alive because certain political leaders are mummifying it."

"And they are mummifying it even against the decision or the opinion of the rank and file of those parties who do not agree with participating in the forum.

"I think that the forum was stabbed to death or received the coup de grace with Commander Daniel Ortega's speech when he said that the rules of the game had just been issued by the revolution."

"These same decrees announced on 19 July contain at least eight violations of the famous minimum points of concurrence. Therefore, if there are violations to these points of concurrence from the very beginning what can be expected for the future?"

"Consequently, I don't think there is much to be discussed about this."

Guido continued: "If the delegates of the political parties continue participating in the forum, they are going to have problems in explaining their participation to their own rank and file and in being totally discredited by the public which has all but buried the forum while the leaders have not abandoned it."

When Guido was told that Commander Carlos Nunez had told the government media that if the leaders of the so-called democratic parties left the forum they would liquidate themselves politically, he made the following analysis:

"Well, that would represent political blackmail which I don't think Commander Nunez can engage in in his capacity as a serious politician.

"Nobody can be forced to remain in a forum, discussion or conversation. And if that was the statement by a top commander of the Sandinist National Liberation Front, then that sounds like blackmail.

"I do not think that the political parties that are participating in the forum should let themselves be blackmailed in that way. I don't think that the commanders of the revolution should continue to try to keep by force those who should not be in the forum.

"It seems to me that logical reasons should be found and not threats. What is being agreed upon at the forum should be implemented so that the presence of the parties in the forum can be justified."

The PCD leader was reminded of the three alternatives that Commander Bayardo Arce announced before the forum, one of which was using the peoples' force. Regarding this he said:

"I remember those three alternatives, but we would be following the third one if no agreement was reached as Bayardo said. This would imply that a repression or a hardline would be followed by those who think within Sandinism that a tough totalitarian regime should be established here or perhaps what was announced as the third stage: the struggle among the mobs."

"But it so happens that the parties, particularly the PCD, do not have mobs but people and we do not want to accept a civil war.

"The PCD is essentially civil-minded and we are determined to break that tragic cycle in Nicaragua in which people reach power through bullets and are ousted through bullets too and in which only the armed political parties reach power. We do not want to fall into the trap of a civil war."

Regarding the fact that they may persecute us, Guido said, this is already happening to us.

"Our rank and file is being persecuted just as is Vicente Rappaccioli whose office in Diriamba is being dismantled. We have the cases of Jose Max Solis, a lady in Diriamba whose last name is Baez and a PCD youth in Boaco who was imprisoned and mistreated in jail.

"We have the cases of the men in barrios San Judas and Altagracia in Managua, PCD members who were arrested and released through habeas corpus presented by Dr Enrique Sotelo Borgen."

"It is clear and it has been proven that a persecution against our party is underway and it could increase in the future if the forum breaks up.

"However, we understand that those who are participating in the forum will not stay in it because of fear; that would be even worse because a political leader should not be a coward."

CSO: 3010/1709

## ARCE SCORES 'AGGRESSIVE,' 'SLANDEROUS' U.S. POLICY

PA102300 Managua Radio Sandino in Spanish 1800 GMT 10 Aug 81

[Text] Bayardo Arce, coordinator of the political committee of the Sandinist National Liberation Front's National Directorate, has charged that the present U.S. administration is implementing an aggressive policy toward the Nicaraguan revolution. According to him, U.S. imperialism is doing everything possible to destabilize Nicaragua's economy and is encouraging through every means provocative actions by the counterrevolutionary forces, both here and abroad.

Arce added that the United States is also conducting a campaign of lies and slander against Nicaragua's revolutionary process in order to discredit the people's revolution and undermine our country's prestige.

In view of this complicated situation, Arce said, measures are being taken to confront the pressure exerted by imperialism and reaction. He explained that the country's international ties are being expanded and that the Nicaraguan people are being prepared politically, ideologically and militarily to reject any act of aggression.

The Nicaraguan leader stressed that in carrying out its plans, Washington trusts first of all the former members of the Somozist national guard who sought refuge in the United States and then certain Central American countries, as well as in other countries whose regimes are hostile to the Nicaraguan revolution. He added that the United States does not exclude direct armed intervention either.

Arce indicated that in these difficult times, the disinterested aid given to Nicaragua by the socialist countries acquires great importance.

CSO: 3010/1709



## CDS MILITANTS DEMAND CLOSING OF 'LA PRENSA'

PAC52224 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 5 Aug 81

[Text] Our people insist on demanding that the newspaper of the minorities be closed and confiscated. This afternoon, demonstrators belonging to Sandinist Defense Committees [CDS] marched through various parts of this capital demanding the closing and confiscation of the daily LA PRENSA.

This is the result of the anger of our people because of the continuous slander and provocations of the newspaper of infamy. The anger over the latest such action, the insult to the memory of Commander in Chief Carlos Fonseca, has not cooled down. The demonstration went to the Communications Media Office of the Interior Ministry. Companero Denis Rodriguez spoke there:

[Begin recording] We will not permit more attacks and the continuation of ideological diversion in our country. We will not permit our revolution to continue to be discredited internationally. This is the revolution of the workers, of the peasants.

Therefore, companeros, we are here today to urge companera Michelle Najlis to adopt a more firm, a more appropriate position and to completely close LA PRENSA. [People shout: "Close it, close it!"] [End recording]

Companera Michelle Najlis, director of the Communications Media Office of the Interior Ministry, explaining why the penalty on LA PRENSA has been so light, said:

[Begin recording] In acting this way, our intention was, first to punish the disrespectful action, but also to do it in such a way that our measure could not serve as a pretext for imperialism to isolate our popular Sandinist revolution from our friends and allies in the world, because the popular Sandinist revolution does have allies and friends in the whole world. Free fatherland, or death. [End recording]

Later the demonstrators went inside the Interior Ministry where they left several copies of the rightist newspaper and restated their demands.

CSO: 3010/1709

## PRESIDENT PROMISES TO CONTINUE TORRIJOS' WORK

PA161850 Panama City LA ESTRELLA DE PANAMA in Spanish 16 Aug 81 pp 1, A-14

[Text] Panama City (DPA)--President Aristides Royo has stated that Panama's priority number one at this moment is the exploitation of copper. He said that this is a goal of his government.

Royo spoke with DPA in his office in the presidential palace. He said that an analysis will be made to determine which factors are for and which against the exploitation of the Cerro Colorado mine.

The president discussed the work of his administration and said that in the 3 years he has left as president, he is determined to continue the work inspired by Gen Omar Torrijos, who died two weeks ago in an airplane accident.

Omar Torrijos inspires my government actions, said Royo. Then, he emphatically stated: "We are Torrijists. His legacy is our banner and we will continue on Torrijos' path. [Quotation mark as published]

The 42-year-old Panamanian president said that the constitution does not allow his reelection. He said that in the 1984 elections, Panamanians will freely elect their government.

Royo noted the pluralism that exists in Panama, which has parties of various tendencies. These parties include the Democratic Revolutionary Party, which has its inspiration in Torrijism, the Christian Democratic, the Liberal, and others.

The Panamanian president said that in Panama there is agreement on the path the country has taken and complete accord between his government and the national guard. He noted that on Wednesday there will be a special ceremony during which the new national guard commander, Col Florencio Florez, will be officially presented as such.

The president said that, in line with Omar Torrijos' philosophy, the country will continue struggling for the well-being of the majority.

Regarding fears that as a result of a weakening in the government because of Torrijos' death, there could be violations of the Torrijos-Carter Panama Canal treaties, President Royo said: We are alert. He recalled that the United States has already violated an agreement with Panama.

I am referring, he said, to the contract to finish the Panamerican highway in the Tapon del Darien area. Panama has completed its portion and the United States is committed to complete two-thirds of the portion that remains to be construction in Darien, but it is not doing it.

Regarding trips abroad, Royo discarded the idea of leaving the country in the near future. Regarding the condolences received from all parts of the world in connection with Torrijos' death, Royo said that this is evidence of the love that Latin America, especially, and the world in general, felt for the late general.

CSO: 3010/1708

## ROYO SPEAKS TO LEGISLATORS ON NATIONAL UNITY

PA131920 Panama City Domestic Service in Spanish 1700 GMT 13 Aug 81

[Text] At a meeting held yesterday at the presidential palace, President Aristides Royo told the National Legislation Council that unity is the greatest homage to General Torrijos' memory. He said we must work united for the sake of progress. He told the legislators, who were headed by their president, Luis de Leon Arias, that the feeling of unity already exists, and that the general staff of the national guard has expressed its unity and support.

President Royo said that the people and government have a commitment with General Torrijos. This commitment is to keep alive the flame of popular power because it is an authentic Torrijist expression converted into a government and representative organization. He said that the commitment we have with Torrijos is not to allow our conquests to be taken away from us, and not to allow any alteration or change in the constitutional and juridical order, which you have to defend, as do I, in my position of president of the republic.

The president stressed to the members of the National Legislation Council that we have to strengthen the unity between you and ourselves. He said that we have a commitment with the leader of our process who is not physically here with us, but who spiritually planned the paths which we have to follow.

Meanwhile, Luis de Leon Arias, president of the National Legislation Council, said that the forces which make up the popular power, are the forces of the president, and they will guarantee the continuity of the revolutionary process. Furthermore, he said, we are going to strive from now on to have the revolutionary process be the doctrine of all the country's popular forces.

De Leon Arias said that with General Torrijos' death, the president must assume all responsibility because it is up to him to play Torrijos' role in his domestic tours. He told President Royo: We are aware of the support you deserve, and the support needed for your government to continue to guarantee the stabilization of the revolutionary process with its continuity.

CSO: 3010/1708

## CANAL COMMISSION MEMBER SURVEYS DISCUSSIONS

PA180340 Panama City Televisora Nacional in Spanish 2245 GMT 17 Aug 81

[Text] The Panama Canal Commission [PCC] board of directors and committees began a series of meetings this afternoon. Tomas Faredes, Panamanian representative to the canal commission, will summarize the agenda of these meetings:

[Begin recording] The members of the board of directors began the sessions with the committees which are part of the board of directors--the personnel, finance and budget and long range canal improvements committees. This afternoon we started with the personnel committee, followed by the finance and budget committee in which we will make an exhaustive analysis of the budget for the 1982-83 fiscal year, and we will end with the long range canal improvements committee, where Panama will submit some alternatives to a series of problems affecting the canal's capacity. On Wednesday we will begin the formal sessions of the board of directors, which will end at Thursday noon.

[Question] Could you expand a little more on the alternatives that Panama is going to submit regarding the canal operation?

[Answer] Yes, we have made a deep analysis of the bottlenecks affecting the Panama Canal. We have analyzed operative and maintenance problems and we are submitting to the board of directors some proposals we think should be considered for the investment and improvement plan of the canal for the next 5 years.

[Question] What are these proposals?

[Answer] There are very specific proposals which are obtained from the revision of documents and studies carried out by the canal commission, only this time we are focusing on them from the national viewpoint and what is best for our country. We hope we can discuss it at a technical level with the members of the board of directors.

[Question] Are you authorized to disclose what these proposals are?

[Answer] Basically there are four or five projects, from broadening Culebra cut to broadening the entrances to the canal on both ends--on the Pacific and the Atlantic. There are other projects which at this moment I do not remember.



[Question] Is Panama going to present a definite position with regard to the violations of the Torrijos-Carter treaties which Panama has repeatedly complained about?

[Answer] Definitely. In this respect, we are going to reiterate all the complaints we have been repeating since the board of directors was appointed, and I believe that on this occasion we are going to reach some understanding on some of the problems.

[Question] What are the most important issues?

[Answer] Obviously, the most important are the wage system applied by the canal commission, and labor relations. [end recording]

Nevertheless, there are at least five specific issues which directly affect Panama and the Panamanians and which will be discussed during these series of meetings which will last until Thursday. These issues are, among others: elimination of the base wage for the Panama Canal area which discriminates against Panamanian citizens employed after 1 October 1979 and which currently affects over 1,500 workers. This base wage represents for the Panamanian economy a loss of \$1.8 billion for the duration of the treaty. There is also the elimination of sensitive positions, discriminating against Panamanian workers.

During these 4 days of sessions, they will also discuss payment to the Social Security Fund and the complementary fee that the boss must pay the workers, which is known as the 13th month portion. The members of the joint commission will also discuss the problem of the tax factor return to Panamanian employees which was illegally decreed by the commission during the first year of the treaty, and the fifth issue to discuss is the delay in the appointment of a Panamanian newsman as director of the Canal Commission Information Office.

CSO: 3010/1708

## COLUMNIST MAKES PROPOSALS TO CANAL COMMISSION

PA142340 Panama City MATUTINO in Spanish 14 Aug 81 pp 4-A, 8-A

[Article by Luis Restrepo Rosas: "The Time Has Come, Mr President!"]

[Excerpts] The board of directors of the Panama Canal Commission [PCC] will meet on Monday, 17 August, after a lengthy and ill-intentioned recess. This meeting has raised expectations concerning what position the national government will take through the four Panamanian representatives on that board, in the face of the canal treaty violations and arbitrary administrative activities of the commission administrator, who is a U.S. citizen.

Regarding this, in a letter from Panamanian President Dr Aristides Royo to then-U.S. President Jimmy Carter on 8 January 1980, the Panamanian Government announced its rejection of law 96-70, "because it denies the important advances made under the treaty."

The Panamanian representatives, therefore, must act as if law 96-70 did not exist. Consequently, they must make proposals and suggest resolutions appropriate to the board of directors, the leading directive body, of a commercial enterprise--the PCC.

Among other things, the Panamanian representatives must propose the following:

1. Uniform and nondiscriminatory implementation of the terms and conditions of employment, including compensation, for all PCC employees and workers, regardless of the date they were hired.
2. Inclusion in the commission's operational budget for the next fiscal period of the funds not paid to employees who began work after 1 October 1979. Their compensation was estimated on the basis of a Panama-area wage scale which the commission's board of directors has not yet approved.
3. Adoption by the PCC of the terms and conditions of employment that were in effect for PCC employees and workers on 30 September 1979, which should be maintained for the duration of the treaty.
4. That the rules that regulate labor relations and collective contracts be submitted to the unions for consultation.

5. The return to Panamanian workers of the sums legally retained by the commission in the form of a "tax factor."
6. The return to Panamanian workers of sums illegally retained by the commission as a complementary social security fund quota, which the law identifies as "the second installment of the 13th month" [annual bonus] and charges to the employer.
7. Payment of a cost of living readjustment to those Panamanian employees affected in order to compensate for the cost of living increase to which they were subjected when they lost the privileges that they enjoyed before implementation of the Panama Canal treaty. This payment should be retroactive to 1 October 1979.
8. That the commission administration be reprimanded for arbitrarily and illegally creating restrictions on the employment of Panamanians by means of the so-called "security positions."
9. That the administrator be reprimanded for his complicity in the illegal activities that the U.S. Government agency known as the "Federal Labor Relations Authority" has carried out on Panamanian territory.
10. Immediate appointment of a Panamanian as chief of the public affairs office.
11. That the administration be asked to adopt severe disciplinary measures against Mrs Willie Friar, Vicky Boatwright and their accomplices for their acts of aggression and insubordination against Panamanian journalist Luis Carlos Noli.
12. That the administration be asked to implement severe disciplinary measures against any U.S. official who conspires against Panamanian employees or hinders their work, recruitment or promotion, or who through his actions or omissions hinders rigorous implementation of the treaty.
13. Opposition to any personnel reduction that might adversely affect Panamanian employees or eliminate positions that might be occupied by Panamanians.
14. That PCC training programs be exclusively for Panamanians.
15. That an order be issued that the rulings made in Panamanian courts and tribunals regarding the deductions to be made, for whatever reason, from the salaries of PCC employees be abided with.
16. Opposition to any spending by the commission that is not directly related to the functioning and maintenance of the canal. The United States must finance all expenses incurred by the U.S. community that works for the PCC.
17. That there be opposition to the idea of charging as operational expenses sums that neither correspond to the functioning or maintenance of the canal nor are contemplated in the treaty, such as an alleged "sum not recovered from the initial investment" or amortization of the early retirement of employees of the former Panama Canal Company-Panama Canal Government.

CSO: 3010/1708

## EXPECTATIONS REGARDING CANAL BOARD MEETING REPORTED

PA160342 Panama City CRITICA in Spanish 15 Aug 81 p 4

[Text] The board of directors of the Panama Canal Commission [PCC] will hold its first period of sessions on Monday amid expectation regarding the indications that the U.S. delegation may give, which could set the tone for future relations between Panama and the United States because of the canal treaty.

This first period of sessions under the Reagan Administration will be presided over by William Gianelli, recently appointed assistant secretary of the army for civilian projects. Gianelli replaces Michael Blumenfeld as chairman of the board of directors.

The last meeting of the board left very important matters pending, such as the Panamanian demand for elimination of the discriminatory double salary scale which has been in effect in the canal commission since 1 October 1979 when the canal treaties went into effect; the deduction of the second installment of the 13th month [bonus payment]; and the return of the amount withheld by the commission due to application of the so-called "tax factor."

Panama has charged that application of the double salary scale represents a savings to the United States at the expense of Panamanian employees who were hired after 1 October 1979. This savings amounts to approximately 2 billion balboas up to the year 2000 and a loss for the Panamanian economy of 4 billion balboas, taking into consideration the multiplying factor of the amount that is not entering the country's economy.

Panama has also been demanding that the commission as well as the U.S. Armed Forces in the country abide by Panamanian law on the second installment of the 13th month, that should be paid to the Social Security Institute. According to Panamanian law, this installment should be paid by the employer, but the commission and the armed forces have been deducting it from the employees.

Law 96-70 on implementation of the canal treaty limits the functions of the board of directors to that of "supervising" canal operations, contradicting the canal treaty, which gives it a more important role in the definition of the policies of the commission. Panama has denounced this law as a violation of the treaty, among other things because it limits the functions of the board of directors.

According to observers, since the law on implementation of the treaty must be reviewed this year, and since President Ronald Reagan must carry out the treaties in accordance with their content, the meetings that begin on Monday are a point of reference to see if Reagan is truly thinking about honoring the treaties.

In addition, the arrival of Jeanne Kirkpatrick, U.S. Ambassador to the United Nations, has been announced for next week. She recently stated that the Reagan Administration will abide by the canal treaties faithfully.

Meanwhile, it has been suggested locally that the Panamanian representatives to the canal commission board of directors ignore the clauses of law 96-70 which violate the treaty and promote actions in the board aimed at compliance with the commitments signed between Panama and the United States.

Two points awaiting decision are labor and personnel policies, which must be designed to accord with the canal treaties. The board meeting will probably conclude on Wednesday, and Gianelli will return to the United States the following day.

CSO: 3010/1708



## UNITY STRESSED AS PRD SEMINAR OPENS IN PENONOME

PA072200 [Editorial Report] Panama City Domestic Service in Spanish at 1505 GMT on 7 August 1981 transmits live from Penonome, Cocle Province, the opening of a political training seminar of the ruling Democratic Revolutionary Party, PRD, which is one seminar of a number being held in each province "to prepare the party for the election of its permanent provincial boards in December."

Speakers at the ceremony are, among others, Ernesto Perez Balladares, planning and economic policy minister, and PRD Secretary General Gerardo Gonzalez. In an 8-minute speech that begins at 1511 GMT, Perez states that our party is functional because the development of its organization allows clear consultation at all levels." He adds that "as repositories of and legitimate heirs to General Torrijos' political and revolutionary ideology, it behooves us to strengthen the organs of people's power he conceived of in order to allow each community to elect a natural leader to outline its problems and to suggest the most adequate solutions." He underscores that "we must devote a substantial part of our efforts to making certain that there will be adequate and permanent means of communication between the rank and file supporting our government and our process; that is, among our party, the organs of people's power and the national guard."

Gonzalez begins speaking at 1519 GMT immediately after Perez. He stresses that the seminar has been organized to comply with Torrijos' directive about communication stressing that when doubts begin the unity of a team begins to collapse. "I do not mean that there are no differences among us," but communication precludes the possibility that our team become divided, he says. His speech concludes at 1529 GMT and live coverage ends immediately thereafter.

CSO: 3010/1708

## BRIEFS

CHRISTIAN UNION COMMUNIQUE--The Christian Union [Union Cristiana], a group affiliated with the Popular Broad Front Party [FRAMPO], has issued a communique noting that "in view of recent events, the Christian Union has decided to break this affiliation to study what path to take." Members of FRAMPO's Christian Union suggest that sympathizers publicly struggle for Christian socialism and study the possibility of calling for a constituent assembly which would democratize the Assembly of Corregimiento Representatives. The Christian Union asks the national guard to invoke article 2 of the constitution to create a Supreme Council of the Revolution that would be composed of all the officers and would draft the strategies for the revolutionary process. The communique was signed by Arturo Llovell, secretary general of the Christian Union. [Text] [PY161908 Panama City LA PRENSA in Spanish 12 Aug 81 p 8C]

PDP OFFICIALLY RECOGNIZED--At 1100 today the Electoral Tribunal presented the People's Party [PDP] with a resolution in which it is officially recognized as a political party duly registered in accordance with the legal provisions that are currently in effect. Electoral Tribunal Resolution No 570 of 11 August 1981 was signed by magistrates Luis Carlos Noriega Hurtado, president; Dr Arturo Morgan Morales, vice president; Dr Rolando Murgas, vice president; and secretary general Dr Everardo E. Tomlinson Hernandez. The PDP, or Communist Party, registered more than 35,000 members when the quota is just 30,000. Ruben Dario Souza is the party's legal representative. [Text] [PA150436 Panama City LA REPUBLICA in Spanish 13 Aug 81 p 32]

AIRPORT RENAMED FOR TORRIJOS--Duman Torrijos, speaking yesterday for the family of the late Panamanian leader at the ceremony in which the national government officially changed the airport's name to Gen Omar Torrijos International Airport, said: "My father welcomed with great love and interest the development of modern aviation technology. He wanted us to have an airport with the most modern facilities to accommodate big airplanes, an airport of which all Panamanians would be proud." Mrs Raquel P. de Torrijos, Government and Justice Minister Jorge Ritter, Lt Pedro C. Ayala, Maj Alberto Purcell, Capt John Bennett, and prominent representatives in the fields of civil and military aviation were present at the simple but meaningful ceremony. Government and Justice Minister Jorge Ritter handed Capt John Bennett, general director of civil aeronautics, the law decree No 125 of 10 August 1981 whereby the president, Dr Aristides Royo, decrees that the new airport be called "Maj Gen Omar Torrijos Herrera International Airport" to honor the memory and accomplishments of this Panamanian citizen who did so much for national and international aviation. [Excerpt] [PA122330 Panama City MATUTINO in Spanish 12 Aug 81 p 8 A]

CSO: 3010/1708

## FEBRERISTA LEADER ASSESSES DRAFT ELECTORAL LAW

PY180026 Asuncion LA TRIBUNA in Spanish 22 Jul 81 p 2

[Text] "This bill to reform the electoral law is a trap being set by officialdom against the Febrerista Party [PRF] specifically. I say this because the bill has points which exclusively concern the PRF," Manuel Rivarola, member of the PRF Executive Committee, remarked in commenting on the amendments to be made to Law 600 (the electoral statute).

The bill to amend the electoral law was prepared by the Colorado Party Senate bloc. This document is now being studied by the Political Committee of the National Republican Association and it should soon be submitted to the Chamber of Deputies for discussion by the appropriate committee.

Rivarola added: "This bill prepared by the Colorados to amend the existing electoral law bans relations of political parties with international organizations, and the PRF is the only political party which maintains relations with the Socialist International. This indicates that this ban refers to the PRF directly and makes me think that the bill is against the Febreristas."

The PRF leader later said that "another point in this electoral bill which we consider even more important forbids coalitions of parties to participate in elections.

"As is known, the PRF is the only political group participating in the national accord which has a legal status, and such a prohibition is directly intended to remove from the accord the legal support provided by the PRF as a party registered with the Central Electoral Board."

Rivarola also noted that "another point that concerns the PRF bans blank votes. As the public knows, the PRF has participated in elections held during the last 10 years without candidates of its own.

"We have adopted this measure due to the lack of guarantees for the free will of the people in casting their votes, considering that the people should be the only judges in electoral disputes. As long as these conditions exist, the PRF will continue to adhere to the position it has maintained in recent years, that is, to participate in elections without presenting candidates."

Rivarola then stated that "in view of the points mentioned, we can assert that the bill to amend the electoral law is totally antidemocratic and intended to inflict a death blow to the legal possibilities of the PRF.

"The PRF has already defined its position regarding this bill and is now planning to hold conferences, round tables and panels to discuss the issues."

## PEREZ ESQUIVEL INTERVIEW WITH 'ABC COLOR'

PY140009 Asuncion ABC COLOR in Spanish 9 Aug 81 p 9

[Text] Adolfo Perez Esquivel, 1980 Nobel Peace Prize winner, has told this newspaper that he had no intention to make any kind of statement on our country's internal situation and that he would have liked to meet with government officials. He stated that the message that he wanted to deliver to the Paraguayan people and government advocated peace and brotherhood among the American peoples.

Following is the telephone conversation we held with Mr Perez Esquivel from Buenos Aires:

[Question] What really happened regarding your trip to Paraguay?

[Answer] "Simply that I had received an invitation to visit Paraguay long ago. When everything was ready, the day before my departure Paraguayan Embassy officials Bernardo Galeano and Palacios Y Palacios called on me to tell me that it would not be convenient for me to visit Paraguay. They gave no specific explanation.

They just said that there might be groups that could cause difficulties, but they did not give me a more specific or convincing reason. I then answered that such a thing was not a valid argument or motive for me not to travel to Paraguay. Thus, since it was not the case of a prohibition, or similar measure, I decided to travel in order to comply with the commitments that I had to the people in Paraguay.

The Aerolineas Argentinas plane, he continued, left here 3 hours late and we had a stopover at Puerto Yguazu. Halfway between Puerto Yguazu and Asuncion the aircraft commander received a call from the Asuncion airport stating that the plane would not be allowed to land because I was travelling on it. So the plane had to return to Puerto Yguazu.

It is regrettable that the Paraguayan Government has acted this way: First because I had made it quite clear to the Paraguayan officials that I had no intention to make any kind of statement on Paraguay's internal situation. I was just going to give a lecture as a guest and to get in touch with the church and other social service organizations.

[Question] Why do you think the Paraguayan Government did not allow you to enter the country?

[Answer] I don't know. That question should be addressed to the Paraguayan Government. The Paraguayan officials gave me no reasons. I asked them whether the trouble involved myself and they said no. They only said I might find hostile groups.

[Question] Didn't Argentine officials warn you not to come to Paraguay?

[Answer] No, not at all. They behaved very correctly. As you probably know, the Argentine Foreign Ministry has submitted a strong protest to the Paraguayan Embassy for thwarting the landing of a normal commercial flight, since that measure breaks international agreements.

[Question] What was the reason for the plane's delay?

[Answer] Well, according to the information furnished at the airport, it was because of the weather.

[Question] Were you thoroughly searched before leaving for Paraguay?

[Answer] No, by no means. On the contrary, the officials made everything easy for me so that I could travel. I had no difficulties.

[Question] Are you thinking of trying to make another trip to Paraguay?

[Answer] We will see what happens later. Right now I am waiting for further information to see whether it will be possible to make that trip. Apparently the Paraguayan authorities do not want us to learn about the human rights situation in that country, and they decided to prevent not only my arrival, but also the arrival of all the other passengers.

[Question] Did the "Peace and Justice Service" issue any statement on this case?

[Answer] Sure, the Peace and Justice Service has issued a communique protesting against the Paraguayan Government's attitude, which breaks international agreements that have been signed by the two countries. This statement was released yesterday to all national and international media. Naturally, this is an event that will have deep international repercussions because the good relations between two countries have been disturbed, and because an international agreement has been broken by the mere fact of preventing the trip that was to be made by a person whose only intention was to share some time with the Paraguayan people.

CSO: 3010/1713



## DAILY ON BARRING OF PEREZ ESQUIVEL

PY172215 Asuncion ABC COLOR in Spanish 8 Aug 81 p 12

[Editorial: "Unjustifiable Measures"]

[Text] The visit that 1980 Nobel Peace Prize winner Adolfo Perez Esquivel was to make to our capital could not take place, because the plane on which he was traveling was not permitted to land at the local airport.

Although no official explanation has been given on the measure, there is no doubt that this measure was taken to block Perez Esquivel's arrival, since permission to land was granted to another plane on which Brazilian Father Almiro Andrada, a member of the Peace and Justice Movement to which Perez Esquivel also belongs, was traveling. The Brazilian priest was, however, immediately returned to his country.

It is hard to find explanations, and it is even harder to find justification for this kind of measure.

Although the activities of Mr Perez Esquivel have been criticized by the Argentine Government, what is known of his ideas against violence and in support of human rights in no way justifies considering him an element potentially dangerous to the public order, no matter how coarse an idea of public order one may have.

Consequently, the grievous measure on which we are commenting can only be thought to have been based on mere circumstantial political reasons rather than on fundamental reasons. Mr Perez Esquivel had been invited by the Commission for the Defense of Human Rights, which is known to be disliked by the Paraguayan Government.

This, of course, does not justify the above measure, which is obviously aimed at silencing debate, in disregard of the letter and spirit of our democratic republican institutions.

This measure will also have international repercussions, besides those that it has already brought about in Argentina, which has submitted a protest against the refusal to permit the aircraft to land.

The procedure followed in this case stands as an unforgivable mistake which infringed upon the rights of other passengers whose entry into Paraguay was not subject to any restriction.

CSO: 3010/1713

## OPPOSITION SEEN AS DOMINATED BY COMMUNISTS

PY062020 Lima EXPRESO in Spanish 13 Jul 81 p 19

[Article by Julio Garrido Huaynate]

[Text] On the eve of the closing of the civil regime's first year, the time has come to make an evaluation of the parties, of their function under our legal structure and of their projections in the country's political spectrum.

It is unquestionable that the overwhelming majority that emerged from the general elections held last year meant that the recently born government would be composed by a majority from the Popular Action Party [AP]. The offer made to other political sectors to share responsibilities in the new cabinet and at decision-making levels in the administration elicited an answer only from the Popular Christian Party [PPC].

Twelve years of military government had displaced civilians, the civilian politicians, to second and third category positions, and even to plain lobbying status. The intention to form a government of civilian unity was then, in a way, understandable. Let us welcome, though from a distance, the contents of this proposal with the good will of a democratic believer. The behavior of the APRA [American Revolutionary Popular Alliance] militants has undoubtedly been inappropriate, to say the least, not because they rejected the cabinet-posts that were being offered, but because their rejection is based on a personal decision, which was supported by PAP (Aprista Party of Peru) due to campaigning inertia and also not without a bit of thoughtless bitterness. All of us recall that the rejection was made after Villanueva's answer which was then endorsed by a plenum.

Bedoya's PPC "consulted" with its organizations and decided to participate in the government under the terms that are known. What is left of the two communist sectors, still under the effect of their electoral defeat, outlined the idea of a front that, after rejecting the president's request, tried to show political unity, without much hiding of their internal contradictions.

The last municipal elections have shown a somewhat decreased support for the AP and some increase in the support for the PPC in Lima. They have also confirmed APRA's electoral disaster that took place in the presidential elections and the consequent worsening of APRA's internal crisis with its corresponding two headed situation and the threat of divisions.

AP's internal problems, although at times under control, give rise to predictions of confrontations which are hard to hide. The political wearing down of the regime that some observers dramatize seems to be, in large measure, due to the inherited burden.

Certain zigzagging in the handling of the economic and financial aspects, caused by political pressure, can cause weakness in the measures taken in that field.

In appearance the PPC participates in the government, but in fact it does not seem to meet its responsibilities stemming from its commitment to the alliance. At least, this is the appearance that the PPC is really trying to demonstrate.

Given APRA's full retreat after two subsequent defeats and based on what they have done so far, APRA can not be considered as an alternative for power, as a really fruitful and concrete opposition that could serve as the tangible counterweight and become an alternative for governing that is involved in the democratic game.

The communists, who emerged stronger from the last municipal elections, seem to be the only presently operating, clear-cut opposition. For the purpose of this analysis their domestic problems and whether their position is feasible are unimportant matters. They have learned May's lesson and today they have even turned into true interlocutors with whom the regime must get in touch and at least listen to their concerns and claims, however unreal and exotic they may be.

It is still to be known whether the PPC will decide to follow its own definite course, and whether the APRA will stop entangling itself in the unsolvable game of individualism that had spoiled its chance to become an alternative for power which, in case of failure by the present government, could afford a solution. Besides, APRA is the only movement that is able to oppose the communists.

The communists' unity--precarious, stuck together with chewing gum and spit and suffering from all limitations common to fronts--thus emerges as the master of an opposition which has surrendered to communists, who have started using palace language as they did when they were the "military fan club" lobbyists.

CSO: 3010/1696

## MINERS, BANK WORKERS ON STRIKE

PY171913 Buenos Aires LATIN in Spanish 1759 GMT 17 Aug 81

[Report by Kevin Dunn]

[Excerpts] Lima, 17 Aug (LATIN-REUTER)--Workers of the Peruvian copper mines and banks today went on an indefinite strike thus joining 13,000 striking doctors throughout the country in demanding wage increases and labor reforms.

Cuajone and Toquepala, the country's leading mine centers, were paralyzed today as 6,000 workers went on strike to demand a 25-percent wage increase, the reinstatement of dismissed colleagues and a reform of the labor laws enacted under the previous military government.

A spokesman for the Southern Peru Copper Corporation, which operates the mines, has said that the strike will cause a \$1 million loss in currency per day to the country.

Bank workers also went on strike in support of similar demands and the doctors, who had initiated their strike 10 days ago, threatened to take radical measures if the government refused to increase their minimum salary to approximately \$645 monthly.

The government was, however, relieved by the communist-controlled General Confederation of Workers of Peru's [CGTP] decision to cancel a general strike scheduled for next Wednesday and Thursday.

On praising the CGTP decision, President Belaunde said that the strike would have only made the poor, poorer, and the hungry, hungrier.

Asked about the unresolved doctors' strike, Belaunde said that the threat to refuse to sign birth and death certificates was a mockery of children and a profanation of tombs.

CSO: 3010/1719

## BRIEFS

MORE TERRORIST BOMBINGS--Lima, 31 Jul (TELAM)--Dynamite petards and molotov cocktails exploded at diverse points in Peru, blowing up a high-tension tower in Huaraz and leaving one casualty near the government palace, the police reported today. The tower, worth \$250,000, was dynamited and destroyed, leaving Huaraz and the province of Recuay, 385 km north of Lima, without power. The state enterprise Electroperu said that it had made an emergency connection so the population could hear the National Day message of President Fernando Belaunde. In Lima, terrorist elements last night put a bomb on the railway line to the central mountains scarcely 200 meters from the government palace, resulting in the wounding of one man. The police also reported that under the cross on San Cristobal Hill a group of extremists painted the insignia of the Soviet Union. An agency of the Credit Bank of Peru, located right in the center of Lima, suffered serious material damage from the explosion of a dynamite charge. In Arequipa, south of Lima, an NCO threw himself on a dynamite petard snuffing out the fuse as it was about to explode in front of an official stand where the authorities were reviewing the military parade for the 130th anniversary of Peruvian independence. The petard had been thrown over the crowd, causing a stampede. In Ayacucho, to the south-east, a molotov cocktail was set off inside the house of a radio reporter, causing damage. [Text] [PY061006 Buenos Aires TELAM in Spanish 1113 GMT 31 Jul 81]

DRUG STORE WORKERS TO JOIN STRIKE--Commenting on the announcement that the drug store workers will join the strike of the Peruvian physicians, the health minister has said that there are obviously political objectives behind that decision. It will only aggravate the conflict and ultimately discredit the union leaders. [Passage indistinct] [Text] [PY141653 Lima Radio America in Spanish 1200 GMT 14 Aug 81]

CSO: 3010/1719



## ACTING PRIME MINISTER TANNIS REVIEWS NATION'S ECONOMY

FLO61755 Bridgetown CANA in English 1708 GMT 6 Aug 81

[Text] Kingston, St Vincent, 6 Aug (CANA)--The St Vincent Government, facing determined industrial action and fearing a political conspiracy is afoot, has given a charge to its people for accelerating the tiny Caribbean state's economic development.

They needed first to come to terms with the country's financial limitations, said acting Prime Minister Hudson Tannis in a nationwide broadcast. Secondly, every effort should be made to increase the level of domestic savings for channeling into expanded production programs. Thirdly, there was a responsibility to ensure the peace and stability needed for attracting foreign investment into local ventures.

Tannis is acting as head of government for Prime Minister Milton Cato, who went to London for the royal wedding before leading a St Vincent mission to South Korea and Taiwan.

His broadcast reviewed the state of the economy, referred to what were described as unreasonable money demands from some sections of government employees, and claimed that conspirators were trying to foment a coup against the administration.

Prime Minister Cato led the group of small islands into independence from Britain in October 1979 and 6 weeks later had to rush police to Union Island to crush a revolt. In recent months there has been growing agitation over unpopular bills before Parliament, wages claims, working conditions and union recognition.

Tannis said it would be unfortunate if any group "whether the right or left or a mixture of both" attempt to affect the development of the country by pursuing action harmful to the national interest. He made clear his government's determination to deal firmly with the source of any threat to national well-being.

"St Vincent and the Grenadines is a peaceful little country, and it is my intention and the intention of this government that it should be kept this way. "Concern has been expressed in many quarters that there are people who would dare to tamper with peace and stability...I wish to make it very clear that any action taken which is calculated to endanger life and property would be viewed seriously by the government which would take such action as is necessary."

The acting prime minister emphasized that economic progress here has to be rooted in agriculture, tourism and industry, all of which can increase earnings and create employment opportunities.

He lamented the fact that the level of local savings for channeling into investment was so low. At 2.2 percent of gross domestic product, savings in St Vincent were the lowest in the English-speaking Caribbean, Tannis declared.

It was not so much a case of wealth not being generated within the country. What was happening was that the wealth was being exported into the economies of developed countries. However, it was difficult for the government to block such flight of capital.

"The answer is that in the absence of a central bank (St Vincent is part of the East Caribbean Currency Authority), there is very little that can be done. "Even with a central bank, the Caribbean experience has shown that to contain the flight of capital by orthodox means can increase the flight in some cases by unorthodox means."

The solution may lie in a mixture of controls and appeals to the people to demonstrate faith and confidence in their country by saving at home, the acting prime minister said.

CSO: 3025/1026

## GOVERNMENT REPORTS DISCOVERY OF PLOT

FL051553 Bridgetown CANA in English 1519 GMT 5 Aug 81

[Text] Kingstown, St Vincent, 5 Aug (CANA)--The St Vincent Government says it has discovered a plot aimed at overthrowing it.

Acting Prime Minister Hudson Tannis said in a radio broadcast last night that he had learnt that five persons here had approached private citizens seeking help in toppling the government and setting up a civilian administration.

The broadcast came hours before the departure of a government delegation for South Korea and Taiwan. The delegation will be led by Prime Minister Milton Cato, who is reported to be still in London, after attending last week's wedding of Britain's Prince Charles and Lady Diana Spencer.

Mr Tannis said that the persons approached had rejected the request to aid in the proposed coup. He did not reveal the names of the instigators.

Tannis called on Vincentians to be very vigilant and be equally prepared to defeat "these enemies of the state." The foreign affairs minister said "this treasonable act is grave indeed and will not be ignored."

He said that St Vincent and the Grenadines "is a peaceful little country and as such, it must be kept this way." Tannis said that "any action taken which is calculated to endanger life and property will be viewed as a matter of serious concern and the government will be compelled to take such appropriate action as is necessary."

In view of current rumors Tannis said he had already pursued a course of action with friendly, foreign governments "to ensure that a government that is democratically elected will only be removed from office when the people so desire through the normal democratic process of free and fair elections."

CSO: 3025/1026

## OPPOSITION CLAIMS VIGILANTE GROUP BEING FORMED

FL102355 Bridgetown CANA in English 2307 GMT 10 Aug 81

[Text] Kingstown, St Vincent, 10 Aug (CANA)--A leftist opposition party, the United People's Movement (UPM), today claimed that supporters of the ruling Labor Party were forming a "people's militia" to keep the government in power.

But Acting Prime Minister Hudson Tannis brushed aside the claim as just speculation.

A member of the party's coordinating committee, Dr Ralph Gonsalves, told a press conference the people's militia would be no more than a vigilante force and that it was being formed with the approval of persons at the highest levels of the government.

Gonsalves said that "this vigilante force has an officer core of about a dozen persons" which "intends to recruit, train and arm a sizeable contingent of faithful foot soldiers."

"The leadership of this vigilante group at present has three common elements," Gonsalves claimed. "First, they come from within the business community, second they are fanatical supporters of the St Vincent Labor Party, and thirdly, they are drawn from a tightly-knitted social group based principally, though not solely, within the Villa-Indian Bay area."

The purpose of this vigilante force "to preserve the Labor Party government in power by all means, including violence, and to rival the lawfully-constituted police force which is looked upon as an unreliable defense unit by these self-appointed vigilantes," Dr Gonsalves alleged.

He said the UPM has informed the police about the militia and was calling on all opposition parties to "rally behind it to preserve the country's democracy."

CSO: 3025/1025

## GOVERNMENT SAYS MUCH TO BE DONE BEFORE ELECTIONS

FL151533 Kingston DAILY GLEANER in English 12 Aug 81 p 9

[Text] Paramaribo, Suriname, 11 Aug (CANA)--Suriname's army strongman Lt Col Daysi Bouterse has said that there would be no elections in the former Dutch colony, once it remained unsettled and disorganized. Addressing a people's committees meeting here, the army chief stressed that much had to be done in the country before it could adopt an independent position. The government here, which emerged from a February 1980 coup, is backed by the military.

Only through national unity and disciplined leadership could the country move forward, Lt Colonel Bouterse said. He accused rich states of creating structures with which to exploit third world countries and warned, therefore, that Suriname must be wary about its associations. "We have explained what we want, and that is to be able to do as we please with our bauxite, timber, shrimps, waters and gold. Foreign countries must no longer decide on the course our natural resources will take," he stated.

Lt Colonel Bouterse explained that Suriname's socialism meant that the benefits derived from the country's resources must go to the nation as a whole. He gave as an example a contract signed some years ago by a previous Suriname Government with Japan which provided for cooperation in the area of fishing. He said Suriname had no boats with which to go and fish in Japanese waters, while the Japanese "could fish to their hearts delight" off Suriname. This is the kind of agreement the present government does not want, he declared.

On another score, the army chief said the soldiers were unable to govern the country alone, and that the soldiers must cooperate with the nation. With this in mind, he added, it was decided to involve the military forces in the community work being carried out by the people's committees.

CSO: 3020/137



## BOUTERSE STRESSES SOCIALIST NATURE OF REVOLUTION

FL031832 Bridgetown CANA in English 2315 GMT 1 Aug 81

[Text] Paramaribo, Suriname, 1 Aug (CANA)--Suriname's army chief of staff Lt Col Daysi Bouterse has said that the main aim of the country's socialist revolution was to bring to an end the "exploitation of man by his fellowman." Addressing the recent meeting of the regional group of socialist international in Grenada, the army chief also stated that the struggle against foreign capitalist domination could only be achieved when a totally liberated, socialist society had been realized in the former Dutch colony. His speech has just been released here.

Bouterse, who headed a four-man delegation to the Grenada meeting that included Foreign Minister Harvey Naarendrop, hailed the army overthrow of the Henck Arron regime on 25 February, last year as a move to finally free the country of the bonds of neocolonialism which, he pointed out, had gripped the country since it became independent in 1975.

"We have a historical task to build a new society upon the ruins of the old, and we are determined to carry out this gigantic task successfully to our best capacity and in the shortest possible time," the Suriname Government Information Service quoted him as saying. The army head, one of the key figures behind the 25 February coup, also had a word to say about democracy in Suriname, pointing out that overnight general elections were an insufficient guarantee for the maintenance of democracy.

"In our view, the renewal of the country's political structure means, in the first instance, the creation of conditions with which to avoid political decadency and to create conditions for the guaranteeing of a lively, true democracy, a system which in our nation has influence and control on each level of the society," he explained.

According to the Government Information Service, Suriname's participation at the conference was a major breakthrough in the political isolation to which the country has been subjected for years as a colony.

CSO: 3020/137

## BRIEFS

NEW BUDGET PRESENTED--Grand Turks, Turks and Caicos, 31 Jul (CANA)--Turks and Caicos Minister Norman Saunders has presented a 16 million dollar (U.S.) budget for the fiscal year 1981-82. The package was criticized by the opposition leader Oswald Skippings, who said the government was "making the rich richer and the poor poorer." Recurrent expenditure is tagged at 6 million dollars (U.S.), 15 percent above last year's figure. Mr Saunders told the legislature yesterday that government's revenue position this year was strengthening "through increased commercial and investment activity." He attributed this to a "new credibility" in the government. British capital aid to the colony remains at 2 million dollars. [Text] [FL311556 Bridgetown CANA in English 1544 GMT 31 Jul 81]

CSO: 3025/1026

## BRIEFS

**MILITARY-CIVILIAN GOVERNMENT**--President Aparicio Mendez made today probably one of his last statements as president of the republic. At the end of a ceremony that was attended by high-ranking government officials, President Mendez said that despite the fact that there will be a new president, the present civilian-military process will not change. Talking in Rivera to Radio El Espectador the president also said that he will officially bid farewell to Uruguayans in a message he will deliver to the nation on 25 August during a ceremony to be held in Florida to commemorate another anniversary of the independence. President Mendez also noted: We are only tools within this process and we act in accordance with a doctrine; the government is here to serve its people and it is acting accordingly. President Mendez noted that during his stay in Rivera he was able to see the new spirit guiding all Uruguayans toward their government. He said: This government understands its people. [Excerpt] [PY151747 Montevideo Radio El Espectador Network in Spanish 1600 GMT 15 Aug 81]

**REYES TO REMAIN VICE PRESIDENT**--Montevideo, 14 Aug (AFP)--It was officially reported here today that lawyer Hamlet Reyes will be the Uruguayan vice president during the 3 and 1/2 year term starting on 1 September. Reyes' appointment is only a confirmation, because he has been holding that position since congress was dissolved in 1973. Hamlet Reyes, 68 years of age, senior judge and former member and president of the Supreme Court, will continue as president to the Council Estate, the organization that replaced the congress. [Excerpt] [PY142214 Paris AFP in Spanish 1418 GMT 14 Aug 81]

**NEW MILITARY REGION COMMANDERS**--Montevideo, 3 Aug (AFP)--The commander of the first military region of Uruguay, Gen Hugo Linares Brun, was decorated upon his retirement on 30 July. Gen Julio Rapela will take over the command of that region, leaving his command of the second military region, whose command passes to Gen Ivan Paulos, the former chief of the intelligence services. The second region is in western Uruguay; the third region, commanded by Gen Boscan Hontou, is in the center and north of the country; and the fourth military region, commanded by Gen Abdon Raimundez, is in the east. [Paris AFP in Spanish 0058 GMT 4 Aug 81 PY]

**POLITICIANS TO BE REHABILITATED**--Montevideo, 3 Aug (TELAM)--New political rehabilitations will occur this week, according to the commander to the 4th Army Division and president of the Armed Forces Political Affairs Commission, Gen Abdon Raimundez. The officer did not give names, but he said that the rehabilitation would continue as a way to give participation to the political parties, for whom a statute is being

studied. On another topic, Raimundez emphasized that this country's problem is the economy, and the workers sectors are totally discouraged and disoriented. He also asserted that it seemed to the armed forces that the legislative branch ought to begin recovering its powers, for which purpose the greater part of its functions will be restored to it. Finally, Raimundez termed the future president of the republic as a man of the process in whom we all place great hopes. [Text] [PY070943 Buenos Aires TELAM in Spanish 1658 GMT 3 Aug 81]

CSO: 3010/1707

## PRESIDENT ON GUYANA RELATIONS

PY142212 Buenos Aires LATIN in Spanish 0109 GMT 11 Aug 81

[Report by Rene Villegas]

[Excerpts] Brasilia, 11 Aug (LATIN-REUTER)--Venezuelan President Luis Herrera Campins denied here tonight that the Venezuelan purchase of combat planes and war material is a war threat to the former British colony, Guyana.

The two countries are disputing over the Essequibo territory, which covers almost 2/3 of the Guyana territory. This subject was one of the most heatedly discussed during the press conference held by the Venezuelan president in this capital.

Several journalists asked the chief of state the reasons for the recent Venezuelan purchases of war material, which among other things includes the purchase of F-16 planes. One journalist asked whether Venezuela is getting ready for a war against a small country with only 1 million inhabitants.

The president answered that Venezuela is known for being a country which was only at war outside its territory when the patriotic army of liberator Simon Bolivar left to seek the independence and freedom of what today are Colombia, Panama, Ecuador, Peru and Bolivia.

Regarding Guyana, he stated, the Venezuelan foreign policy is of a pacifist nature which strongly defends the inalienable rights of the country but that does not go around threatening anybody with war.

After pointing out that Venezuela is not a bellicose country he explained that all the adequate resources of international law are available to solve this type of problem.

In another statement which was criticized during his stay here, the Venezuelan president reiterated his support to the Salvadoran Government headed by Napoleon Duarte and added that he is convinced that the group of Salvadoran military officers desire a democratic opening and the institutionalization of their country.

CSO: 3010/1716



## MORE ON PRESIDENT'S 10 AUGUST SPEECH

PY132204 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Aug 81 p 7

[Excerpts of speech delivered by Venezuelan President Luis Herrera Campins at banquet held in his honor by Brazilian President Joao Figueiredo]

[Excerpts] "This visit is a new opportunity to develop a common will; a common spirit to strengthen those bonds that unite us and to expand and diversify a system of consultation and to seek agreement on the many activities we are developing at both the regional and international level."

"It is not our intention to solve all the problems, but to solve the present acute political problem. We will be unable to solve the economic, social and cultural problems that Latin America is now confronting if we do not first confront our political problems since these are interrelated."

"This joint effort of developing countries is not aimed against anything. On the contrary, it is aimed at benefiting everyone. It is not our intention to disregard the commitments made to us by developed countries but to enhance the credibility of the potential for cooperation among Third World countries whose importance resides in the solidary principle which guides them: unity of purpose despite their diversity."

"Among developing regions of the world, Latin America has perhaps pioneered actions of this kind: the Andean Pact, Aladi [Latin American Integration Association], the Central American common market, the Amazon Treaty, OLADE [Latin American Energy Organization], SELA [Latin American Economic System], and recently efforts undertaken in the eastern Caribbean region--which I deeply admire--are evidence of the creativity of our countries when it comes to cooperation and integration."

"We have available, therefore, ample institutional bases for understanding, cooperation and integration. Their usefulness will depend on the support that we give them as tools to coalesce the efforts and wills in order to achieve an integral development of our countries. This sharing of objectives and the determination to achieve them strengthen our confidence in the future of Latin America despite difficulties we may confront."

"The success of this systematic mobilization of possibilities for joint actions is the fundamental factor to ensure the importance of Latin America in the world."

Latin America cannot be placed on the edges of the decision-making process or be content with a secondary role, even less with that of underlings.

"We have the right to play a role in accordance with the scale of our resources and the need for international cooperation and peace. Latin America in unison must emphasize its own profile in the present international situation by reasserting the true Latin American identity to bar any hegemonic ambition and avoid involvement in the dangerous play of tensions between East and West."

"We must now launch actions to expand areas of coincidence and exploit new areas of understanding with other countries in the region. We must promote a great Latin American dialogue to discuss the special interests of each country, to discuss points of view and to define common goals in the area of regional and international problems. Only in this way will we be able to guarantee universal singificance for Latin America.

CSO: 3010/1716

## BRIEFS

PRESIDENT ON EL SALVADOR SITUATION--Brasilia, 11 Aug (AFP)--Venezuelan President Luis Herrera Campins stated here today that his government will continue its moral and political support for El Salvador because the future of all Central America is at stake there. The Venezuelan chief of state made this declaration in a speech to the members of the Brazilian Congress on the second day of his official 4-day visit to Brazil. Herrera Campins said that only those who do not want to see are unaware that in El Salvador, with courage that future generations will be grateful for, President Duarte and the democratic civilians and military are waging a titanic struggle against the most powerful guerrilla-terrorist subversion that Latin America has witnessed in the last 30 years. At the same time they are struggling against the senseless and suicidal position of a terrorist extreme right which is blind and callous, opposed to all changes. The Venezuelan chief of state declared that our moral and political support will continue to the limits of our possibilities because we understand that there, in a good part, the future of all Central America is at stake. He added that we are familiar with the sufferings of El Salvador because we have helped combat its dictators for the last 20 years. He stressed that neither Marxism or fascism are paths to a future of freedom. [Text] [PY141547 Paris AFP in Spanish 1424 GMT 11 Aug 81]

PRESIDENT SUPPORTS NICARAGUA'S PLURALISM--Brasilia, 11 Aug 81 (AFP)--Venezuelan President Luis Herrera Campins here today declared that his government was disposed to cooperate for the installation of a pluralistic regime that is truly democratic and respects all liberties in Nicaragua. He said this in a speech he made, on the second day of his official 4-day visit to Brazil, before the members of both chambers of the Brazilian Congress meeting in solemn session. The Venezuelan chief of state said that his government was concerned about developments in the Nicaraguan process. He added that we who supported with our vote the agreement of the 17th consultative meeting of the OAS, which on the international level signalled the end of the Somoza dictatorship, wish the agreement to be fully and completely complied with. Herrera Campins also said: "We ratify our disposition for cooperation and we state that the Latin American desire has always been that long-suffering Nicaragua have a regime that is truly democratic and respects all liberties." [Text] [PY141809 Paris AFP in Spanish 1434 GMT 11 Aug 81]

HERRERA TO VISIT CHINA--Caracas, 15 Aug (AFP)--Venezuelan President Luis Herrera Campins will travel to China this fall, it was officially announced here today. The visit will come after the North-South summit conference in Cancun, Mexico, either in late October or early November. It was not known with whom Mr Herrera Campins will meet while in Beijing. Chinese Foreign Minister Huang Hua recently returned to China after an official visit to Venezuela. [Text] [PA160137 Paris AFP in English 0000 GMT 16 Aug 81]

CHILEAN RIGHTS LEADER ARRIVES--Caracas, 16 Aug (AFP)--A Chilean Human Rights Commission head Jaime Castillo Velasco, who was expelled from his country on Tuesday, has arrived in Venezuela, it was learned here today. Mr Castillo, a former justice minister and ex-leader of Chile's important Christian Democratic Party, was expelled along with three other opposition figures on the orders of the government of General Augusto Pinochet. He was taken by car to the Argentine town of Mendoza, near the Chilean border, and went from there to Buenos Aires and then Venezuela, where he had been granted asylum on two previous occasions in 1976 and 1978. Mr Castillo said that the three other expelled opponents to the strong-arm rightist regime in Chile, Orlando Cantuarias, Carlos Briones and Alberto Jerez, were still in Argentina. They have been offered asylum by France, Mexico and Venezuela. [Text] [PA161744 Paris AFP in English 1656 GMT 16 Aug 81]

ARGENTINE SUPPORT FOR SELA--Caracas, 16 Aug (EFE)--Argentine Foreign Minister Oscar Camilion, currently visiting Venezuela, today ratified the support of his country for SELA. In a meeting with SELA permanent secretary Carlos Alzamora, the visiting foreign minister expressed interest in the integrationist plans this organization is carrying out. The Argentine foreign minister was informed of the preparations to hold a SELA consultative meeting in Panama late this year to analyze Latin American's economic relations with the United States. The SELA officials noted that a special document with ample information on this consultative meeting will be sent to each member government in the next few days. The foreign minister expressed concern over the deterioration of trade relations between Latin America and the EEC. He noted that his country supports any project which favors Latin American countries and serves to strengthen the region. [Text] [PA162217 Madrid EFE in Spanish 2015 GMT 16 Aug 81]

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